United States to remove the present Governor from office with all possible dispatch; to the Committee on the Territories.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CURLEY:

H. R. 6005. A bill for the relief of Frances L. Marshall; to the Committee on Claims.

H. R. 6006. A bill for the relief of Albert H. Stoddard; to the Committee on Claims.

By Mr. CRAVENS:

H. R. 6007. A bill for the relief of John R. Kagy; to the Committee on Claims.

By Mr. GRANT of Indiana:

H. R. 6008. A bill for the relief of Mrs. Mildred Louise Palmer; to the Committee on Claims.

By Mr. LATHAM:

H. R. 6009. A bill for the relief of Rocco La Porta and Martin Siebert; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 6010. A bill for the relief of the Yakutat Cooperative Market; to the Committee on Claims.

H. R. 6011. A bill for the relief of Harry Burstein, M. D., Madeline Borvick, and Mrs. Clara Kaufman Truly (formerly Miss Clara M. Kaufman); to the Committee on Claims.

By Mr. MONRONEY:

H. R. 6012. A bill for the relief of Lippert Bros., general contractors; to the Committee on Claims.

By Mr. MURPHY:

H. R. 6013. A bill for the relief of Martin A. King, postmaster at Clarks Summit, Pa.; to the Committee on Claims.

H. R. 6014. A bill for the relief of the estate of D. A. Montgomery; to the Committee on Claims.

By Mr. NEELY:

H. R. 6015. A bill for the relief of William E. Gillespie, Jr.; to the Committee on Military Affairs.

By Mr. ROBINSON of Utah:

H. R. 6016. A bill for the relief of the estate of Wendell D. Wagstaff; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1762. By Mr. GARDNER: Petition of Servicemen's Wives' and Children's Association, regarding release of fathers; to the Committee on Military Affairs.

1763. By Mr. GRAHAM: Petition of 20 residents of Butler, Pa., in opposition to Senate bills 1050 and 1606 and House bill 4730; to the Committee on Ways and Means.

1764. Also, petition of 13 residents of Zelienople, Pa., in opposition to Senate bills 1050 and 1606 and House bill 4730; to the Committee on Ways and Means.

1765. By Mr. HART: Petition of the Frank J. Wetering Post, No. 316, Veterans of Foreign Wars, of Hackensack, N. J., protesting against the housing bill as passed by the House of Representatives and urging that said bill be recalled from the Senate and that the original Wyatt bill be passed and enacted into law; to the Committee on Banking and Currency.

1766. Also, petition of John Hand Tri-County Post, No. 2906, of Pompton Lakes, N. J., Veterans of Foreign Wars, protesting against housing bill as passed by the House of Representatives and urging that said bill be recalled from the Senate and that the original Wyatt housing bill be passed and enacted into law; to the Committee on Banking and Currency.

SENATE

FRIDAY, APRIL 5, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, our spirits are restless until they find the rest of Thy presence; our hearts are empty and our lives barren until Thou dost possess our very souls. Apart from Thee, these feverish days are but tangled tragedy, sound and fury signifying nothing, devoid of meaning, dignity, and beauty; in Thy radiance trivial rounds become sacraments; common days are glorified; bitterness, disappointment, and failure transfigured and redeemed.

This day consecrate with Thy presence the way our feet may go and the humblest work will shine and the rough places be made plain. Suffer not any one of us to bruise the rightful self-respect of any child of Thine, our brother, by malice or contempt. So help us to walk while it is yet day, following the wounded footprints of Him who with the fewest hours finished the divinest work. We ask it in His blessed name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 4, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government, with amendments in which it requested the concurrence of the Senate.

LEAVE OF ABSENCE

Mr. BUTLER. Mr. President, I ask unanimous consent of the Senate to be absent for a few days beginning the first of next week.

The PRESIDENT pro tempore. Without objection, leave is granted.

CALL OF THE HOUSE

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Bankhead	Brewster
Austin	Barkley	Briggs
Ball	Bilbo	Brooks
Buck	Hoey	Reed
Bushfield	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Russell
Byrd	Knowland	Saltonstall
Capehart	La Follette	Shipstead
Capper	Langer	Smith
Carville	Lucas	Stanfill
Connally	McClellan	Stewart
Cordon	McFarland	Taylor
Donnell	McKellar	Thomas, Ok'a.
Downey	McMahon	Thomas, Utah
Eastland	Magnuson	Tobey
Ellender	Maybank	Tunnell
Ferguson	Mead	Vandenberg
Fulbright	Millikin	Walsh
Gerry	Mitchell	Wheeler
Gossett	Moore	Wherry
Green	Morse	White
Guffey	Murdock	Wiley
Gurney	Murray	Willis
Hart	Myers	Wilson
Hatch	O'Daniel	Young
Hayden	O'Mahoney	
Hickenlooper	Overton	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of a death in his family.

The Senator from Ohio [Mr. HUFFMAN] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Florida [Mr. PEPPER] and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

The Senator from Maryland [Mr. RADCLIFFE] is unavoidably detained on official business at one of the Government departments.

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from Ohio [Mr. TAFT] is necessarily absent by leave of the Senate.

The PRESIDENT pro tempore. Seventy-nine Senators having answered to their names, a quorum is present.

FOREIGN DECORATIONS, ETC., HELD BY STATE DEPARTMENT FOR CERTAIN RETIRED OFFICERS AND OTHERS

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and with the accompanying papers, referred to the Committee on Foreign Relations:

(For President's message, see today's proceedings of the House of Representatives on p. 3233.)

REPORT OF CIVIL SERVICE COMMISSION

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Civil Service.

(For President's message, see today's proceedings of the House of Representatives on p. 3233.)

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 4, 1946, he presented to the President of the United States the following enrolled bills:

S. 286. An act for the relief of James F. Desmond;

S. 976. An act for the relief of the estate of Howard Francis Waldron;

S. 983. An act for the relief of A. F. Crawford;

S. 1184. An act for the relief of A. L. Clem and Ida M. Bryant;

S. 1319. An act for the relief of Mrs. Alice Condon;

S. 1411. An act for the relief of Alfred Osterhoff, doing business as Illini Reefer Transit, Champaign, Ill.;

S. 1504. An act for the relief of Edith Roberta Moore;

S. 1609. An act for the relief of Catherin Gilbert;

S. 1622. An act for the relief of Gordon Cole Hart;

S. 1627. An act for the relief of Mrs. Isabel N. Mifflin; and

S. 1840. An act for the relief of the Danvers Shoe Co., Inc.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF COMMERCE (S. DOC. NO. 165)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Department of Commerce for the fiscal year 1946 totaling $2,550,000, in the form of amendments to House Document No. 450, Seventy-ninth Congress, and for the fiscal year 1947 totaling $7,950,000, in the form of amendments to the Budget for that year (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DISTRICT OF COLUMBIA (S. DOC. NO. 166)

A communication from the President of the United States, transmitting supplemental estimates of appropriation, District of Columbia, amounting to $575,000, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT OF NATIONAL PARK TRUST FUND BOARD

A communication from the secretary of the National Park Trust Fund Board, transmitting, pursuant to law, a report of that Board for the fiscal year 1945 (with an accompanying report); to the Committee on Public Lands and Surveys.

DECEMBER 1945 REPORT OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of the activities and expenditures of the Corporation for the month of December 1945 (with an accompanying report); to the Committee on Banking and Currency.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate a letter in the nature of a petition from Kong Mo-Arm, chairman, committee on immigration, Chinese Consolidated Benevolent Association, New York City, N. Y., praying for the enactment of legislation providing for the admission into the United States of alien Chinese wives of American citizens, which was referred to the Committee on Immigration.

EXTENSION OF DRAFT LAW—MEMORIAL

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a memorial signed by members of the faculty of Friends University, Wichita, Kans., expressing their opposition to the extension of the present draft law.

There being no objection, the memorial was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

FRIENDS UNIVERSITY,
Wichita, Kans., April 2, 1946.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR CAPPER: The destiny of the world hangs in the balance and every decision of these days either inspires confidence in our ability to settle differences by law and the appeal to reason or it adds to existing suspicions of others and moves us steadily toward another world war.

America's position and tradition mark her as the world's leader in this crisis and, therefore, we the undersigned members of the faculty of Friends University urge you to support every issue that would contribute to a policy of firmness, frankness, and friendliness; to vote against an extension of the present draft law; support the United Nations Organization, and work toward world disarmament and civilian control of atomic energy.

Gerald H. Wood, Juliet Reeve, Harold Kolling, W. A. Young, Irwin T. Shultz, Iva V. Pickering, John R. Crist, P. D. Shultz, J. S. Jones, Elsa M. Henry, Stella Yates, H. E. Crow, Isabel Crabb, Margaret Joy, Lowell E. Roberts, Harold C. Johnson, Lucille Shanklin.

AMENDMENT OF NATIONAL HOUSING ACT—REPORT OF A COMMITTEE

Mr. BARKLEY. Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report favorably with amendments the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, and I submit a report (No. 1130) thereon. I wish to advise the Senate that it is my purpose to attempt to bring this matter up on Monday for consideration and to keep it before the Senate until it shall be acted on.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

INVESTIGATION OF MATTERS RELATING TO FOOD PRODUCTION AND CONSUMPTION—LIMIT OF EXPENDITURES

Mr. THOMAS of Oklahoma. Mr. President, from the Committee on Agriculture and Forestry, I ask unanimous consent to report a resolution. The resolution asks for $5,000 additional to be granted to the Committee on Agriculture and Forestry for the purpose of holding additional hearings under Senate Resolution 92, to investigate certain matters relating to food production and consumption. I ask that the resolution be referred directly to the Committee To Audit and Control the Contingent Expenses of the Senate.

The PRESIDENT pro tempore. Is there objection?

Mr. WHITE. Mr. President, I reserve the right to object, but I do not know that I shall do so. I do know, however, that there is a growing opposition and a very substantial opposition at this time to the appropriation of money for investigations by various and sundry Senate committees and special committees of the Senate. Is there any special urgency which requires immediate consideration of the resolution or its immediate reference to the Committee To Audit and Control the Contingent Expenses of the Senate?

Mr. THOMAS of Oklahoma. I am not asking for immediate consideration of the resolution. I am asking that the resolution be referred to the Committee To Audit and Control the Contingent Expenses of the Senate, because my committee reported the resolution unanimously. Before we can get the money required the resolution must go to the Committee To Audit and Control the Contingent Expenses of the Senate, and we have to wait for its consideration of it before we can act in our committee.

Mr. WHITE. Mr. President, I understand that. I merely asked if there was any urgent reason for short cutting anywhere.

Mr. THOMAS of Oklahoma. Yes, there is, Mr. President. Let me explain the situation if I may. The Senate last May, about a year ago, adopted the original resolution. The Committee on Agriculture and Forestry proceeded to act under the resolution and made an investigation of food matters. The committee had held hearings for over a year. The $5,000 provided in the original resolution is practically exhausted. It seems that now there is additional demand for information respecting meat, and I want to place before the Senate one or two charges which have been presented to the committee.

Mr. President, it is charged that 83 percent of the meat which the people of the United States consume today is black-market meat. If that be true, then for every 10 mouthfuls of meat consumed by any person in the United States, 8 mouthfuls are of black-market bootleg meat. I shall not take time to go into it fully, but the Senate does not have the necessary information about this matter. There are three classes of meat in the country. First, federally inspected meat. Second, Federal-graded meat.

Third, meat that has no inspection and is not graded. The federally inspected meat is the meat which comes from the major packing houses where the animal has been inspected. But not all the meat that is stamped is inspected. Many people buy meat which has a stamp on it "U. S." and they think it has passed through all the grades of inspection and grading, but that is not true. Much of our meat is not inspected; it is merely graded.

The next fact which is charged before my committee—and I want to put these matters in the RECORD because they are material—is this: When the war started there were in the United States only 1,492 commercial slaughterers. That is the total number of licenses that were in existence authorizing slaughterhouses to conduct their business. Now there are more than 26,000 slaughterhouses. The excess above 1,492 in the main are illegal slaughtering institutions.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHITE. I merely want to say to the Senator that so far as I am concerned, I offer no further objection to the request.

Mr. WHERRY. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. The full Committee on Agriculture and Forestry has already approved the resolution, and now the Senator is reporting it.

Mr. THOMAS of Oklahoma. The original resolution was agreed to a year ago. That resolution is still in effect and will be in effect during the present Congress; but until we have further money we cannot pay the transcription fees. We pay no expenses of witnesses. We pay only for the recording of the evidence and the transcription of the evidence. But we are out of money.

Mr. WHERRY. The investigation is being conducted by a subcommittee of a standing committee of the Senate. It is proposed that the resolution go to the Committee To Audit and Control the Contingent Expenses of the Senate, which will pass on the request contained therein. Will the Senator submit to that committee a budget, so approval can be had immediately?

Mr. THOMAS of Oklahoma. The amount asked for is $5,000. For the past year we have had provided the sum of $5,000. I think we can get by with half that amount. That, however, is for the committee to pass upon. On Monday of this week the subcommittee heard the independent packers. Next Tuesday the committee is to hear from the big packers of Chicago—Wilson, Swift, Armour, and I think Cudahy. I am told of the conditions I have just described, but until we get the direct evidence we can only appraise what we have heard as being hearsay. The money we ask for is to be used for taking down the evidence and transcribing it, so as to make a report which we will bring back to the Senate.

The PRESIDENT pro tempore. The Parliamentarian advises the Chair that under the statement made by the Senator from Oklahoma the resolution would go directly to the Committee To Audit and Control the Contingent Expenses of the Senate, and, without objection, the resolution will be referred to that committee.

The resolution (S. Res. 250) was received and referred to the Committee To Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the limit of expenditures of the Committee on Agriculture and Forestry under Senate Resolution 92, Seventy-ninth Congress, agreed to March 19, 1945 (concerning the investigation of matters relating to food production and consumption), is hereby increased by $5,000.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 2030. A bill to amend the Surplus Property Act of 1944 so as to provide for the return of surplus motor vehicles to the United States for the purpose of resale; to the Committee on Military Affairs.

By Mr. MURDOCK:

S. 2031. A bill authorizing the issuance to Mountain States Development Co. and Crescent Eagle Oil Co. of patents for certain placer mining claims located in Grand County, Utah; and

S. 2032. A bill to provide for the establishment of a reservoir on Bear River, Utah, for the maintenance of water levels in the Bear River Migratory Bird Refuge, and for other purposes; to the Committee on Public Lands and Surveys.

PROMOTION AND DEVELOPMENT OF OIL AND GAS—AMENDMENT

Mr. O'MAHONEY (for himself and Mr. HATCH) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1236) to promote the development of oil and gas on the public domain and on lands acquired for the Appalachian National Forest, and for other purposes, which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

INCREASE IN COMPENSATION, ETC., TO VETERANS AND THEIR DEPENDENTS—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (S. 1921) to increase by 20 percent the monthly rates of compensation, pension, and retirement payments to veterans and their dependents, which was referred to the Committee on Military Affairs, and ordered to be printed.

REORGANIZATION OF LEGISLATIVE BRANCH OF GOVERNMENT

Mr. LA FOLLETTE (for himself, Mr. THOMAS of Utah, Mr. PEPPER, Mr. RUSSELL, Mr. WHITE, and Mr. BROOKS) submitted the following resolution (S. Res. 249), which was ordered to lie over under the rule:

Resolved, That a special committee to be composed of six Senators who are members of the Joint Committee on the Organization of the Congress is hereby established for the purpose of receiving and considering all proposed legislation and other matters relating to the reorganization of the legislative branch of the Government. Any vacancy occurring in the membership of the committee shall be filled by appointment by the President of the Senate. All bills, resolutions, amendments, and other matters relating to the reorganization of the legislative branch of the Government shall be referred to the special committee for its consideration and such committee is hereby authorized to report to the Senate with respect to any matter referred to it, together with such recommendations as it may deem advisable.

CHESTER BOWLES' BLIND SPOTS—ARTICLES BY MERRYLE STANLEY RUKEYSER

[Mr. BROOKS asked and obtained leave to have printed in the RECORD three articles entitled "Chester Bowles' Blind Spots," written by Merryle Stanley Rukeyser and published in the Chicago Herald-American, which appear in the Appendix.]

ATOMIC POLICY—EDITORIAL FROM NEW YORK HERALD TRIBUNE

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial entitled "Atomic Policy," from the New York Herald Tribune of April 5, 1946, which appears in the Appendix.]

FAIR LABOR STANDARDS—ARTICLE BY REV. GEORGE G. HIGGINS

[Mr. HATCH asked and obtained permission to have printed in the RECORD an article entitled "Fair Labor Standards," by Rev. George G. Higgins, which appears in the Appendix.]

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from New Mexico [Mr. HATCH] to the committee amendment on page 16, line 19, as amended, inserting certain words.

Mr. HATCH obtained the floor.

Mr. GUFFEY. Mr. President, will the Senator yield to me so I may make a short statement?

Mr. HATCH. I yield.

Mr. GUFFEY. Mr. President, I should like to explain my position on the pending measure now as I have to leave the city early this afternoon.

I will vote for any and all amendments. I do not think they can make the bill any worse than it is.

I will then vote against the passage of the bill, as we all know the President's attitude on the measure.

The bill has been emasculated and destroyed as to its original purpose, which was the minimum wage, on the excuse of helping the farmer.

The real reason for doing it is, in my opinion, to keep the wages down for the poor whites and the colored people of the South.

I am a Democrat for three reasons—by inheritance, by conviction, and from principle.

When my parents were married they had an understanding that my mother was to look after the religious education of the children and my father the political.

I am afraid that to date my father got the best of the agreement.

Among the things he taught me was that the nominee for President or our elected President was the leader of our party.

On this subject I shall have more to say later, as I am a thorough believer in

the two-party system and loyalty to the platform commitments of our party.

I have been a Member of this body for 11 years and 3 months and have almost 9 months remaining in my second term.

During that time I have supported the President and the party platform measures with all my votes on all occasions.

I shall continue to do so as long as I am a Member of this body.

Mr. HATCH. Mr. President, the amendment which I offered yesterday applied to the committee amendment. The Senator from Ohio [Mr. TAFT] raised the question that in all probability the committee bill would be replaced by the Ball-Ellender amendment, which will be voted on first. To meet a somewhat confused, if not tangled, parliamentary situation, I now send to the desk an amendment which I offer to the so-called Ball-Ellender amendment, to be inserted at the proper place. I request unanimous consent that the amendment I now offer be voted on before the one I offered yesterday.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment offered by the Senator from New Mexico will be stated.

The CHIEF CLERK. At the proper place it is proposed to insert the following new section:

SEC. —. Effective 6 months after the effective date of this act, the act is amended by adding at the end thereof the following new section:

"SEC. 20. Every employer who is engaged in commerce or in any activity affecting commerce, and who (a) has four or more establishments where he is so engaged, or (b) has total annual gross receipts of $500,000 or more from enterprises where he is so engaged, shall pay to each of his employees employed in or about or in connection with any enterprise where he is so engaged"—

Mr. HATCH. Mr. President, the remainder of the amendment is a mere repetition of the amendment which was agreed to yesterday, and I ask that it be printed at this point in the RECORD.

The PRESIDENT pro tempore. Without objection, the remainder of the amendment will be printed in the RECORD and need not be read.

The remainder of the amendment is as follows:

"(1) wages at a rate not less than 60 cents an hour, except that in the case of employees in Puerto Rico or the Virgin Islands to whom this section applies, wage rates shall be fixed in the same manner as in the case of employees in such places to whom section 6 applies, and

"(2) compensation for employment in excess of 40 hours in any workweek, at a rate not less than one and one-half times the regular rate at which such employee is employed. As used in this section, the term 'activity affecting commerce' means any activity in commerce or necessary to commerce or competing with any activity in commerce or where the payment of wages at rates below those prescribed by this act or where the employment of oppressive child labor would burden or obstruct or tend to burden or obstruct commerce or the free flow of commerce."

Mr. REVERCOMB. Mr. President, will the Senator yield for an inquiry so that we may know very clearly where the amendment is to be inserted? Do I understand this to be an amendment to the committee bill?

Mr. HATCH. This amendment has been offered to the Ball-Ellender amendment, to be inserted at the proper place, and I use the expression, "at the proper place," because there have been so many amendments adopted it is hardly possible to determine what is the proper place. But it is to meet the parliamentary situation that I am offering it at this time in the way I have.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BARKLEY. The Senator is assuming that there is a proper place.

Mr. HATCH. I assume from what has happened in connection with the consideration of the bill that there is a place—perhaps not a proper place—for almost anything in this bill.

Mr. BARKLEY. Will the Senator yield further to me?

Mr. HATCH. I yield.

Mr. BARKLEY. I wonder if we might have a general understanding that we will dispose of this amendment and of the bill itself as soon as possible. We have other important business for today which should be completed so that we may clear the way to take up the veterans' housing bill on Monday. I do not want to ask for a limitation of debate on further amendments to the bill, but I wonder if we may not have a sort of general agreement that we will not indulge in extended debate either on the pending amendment or on anything else. Is that agreeable to the Senator?

Mr. HATCH. It is perfectly agreeable to me. I may say to the Senator from Kentucky that I intended to take the briefest possible time merely to explain what the amendment does, and then to ask for a vote on it. I want, if possible, and I hope Senators will agree, a yea-and-nay vote on the amendment.

Mr. President, as I said yesterday, it is an important amendment. I think we should be willing to express ourselves on record as to what we think about it. I recall that a famous jurist at one time said, "I write my judgments and give the reasons for the judgments that I render in order that I who judge may also in turn be judged." I think we have such an obligation to those who are covered or are not covered by the present minimum-wage law.

With respect to this amendment, as I said yesterday, I have used the words "affecting commerce" as a mere vehicle. I do not like those words used by themselves alone, because they are general, they are a sort of catch-all dragnet, and I do not know what would be included by their use, nor did I know by their use in the original bill what would be included. I do not want to vote for, and I would not have voted for, such a general catch-all expression as that. But under the decisions of the Supreme Court and under the language of the National Labor Relations Act these particular words have assumed a definite meaning in relation to the Constitution. In this amendment, however, I have only used those words for the purposes expressed, and they apply to nothing else at all. They apply only to those institutions doing a total annual volume of business of $500,000 or more, or which have four or more establishments. I rather emphasize the word "or" in the phrase "four or more," because there is some misunderstanding whether the word was "and" or "or." The word is "or" in the amendment I offered. One Senator has told me that he objects to that word; that he would rather have the word "and." That is the reason I am explaining it so definitely. I do not want any misunderstanding. The amendment as read would apply to enterprises doing more than $500,000 annual business or having four or more establishments. As I stated yesterday, it is designed primarily to reach the huge chain stores of the country, which are specifically exempted from the present minimum-wage law. I am not at all sure but that the language of the present act—"production," "commerce," and other language—would be sufficient to bring the chain stores within the minimum-wage provisions; but the act specifically exempts all retail establishments, and by so doing presents what I think is a perfectly indefensible position.

I know of many small towns where there are small businesses, doing a small annual volume of business, but for one reason or another, either because they are close to State lines and do business across State lines, or because they are producing something, such as printing, which is used in interstate commerce, those little businesses are actually brought under the minimum-wage law today. Next door to them, in many places, will be found large chain stores employing many persons and doing a large volume of business. They are exempted from the present minimum-wage law. That is the condition which I am seeking to correct.

Mr. President, I think that explains the situation. Every Senator knows it just as well as I do, or perhaps better. There is no particular reason why it should be argued. So far as I am aware, every Senator knows how he wishes to vote on the question. I should like to have the amendment adopted if for no other reason than that we all know that if this bill passes it is going to be rewritten. It will be rewritten either in the House of Representatives or in conference, and I should like to have this subject included in the bill in order that it may be considered in the various changes which may take place.

Mr. President, I now ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. BANKHEAD. Mr. President, I desire to offer an amendment to the pending amendment.

Mr. BARKLEY. Mr. President, the Senator announced that he wished to offer an amendment, but that would be an amendment in the third degree.

Mr. HATCH. I shall not make the point of order.

The PRESIDING OFFICER (Mr. EASTLAND in the chair). The Chair is advised by the Parliamentarian that the amendment is not in order at this time.

Mr. BANKHEAD. I ask unanimous consent to offer it at this time.

Mr. BARKLEY. Is it an amendment to the amendment of the Senator from New Mexico?

Mr. BANKHEAD. Yes. I wish to substitute "and" for "or."

Mr. BARKLEY. I shall not object, but, of course, it makes it very difficult not to agree that other amendments in the third degree may be offered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? The Chair hears none, and the amendment to the amendment may be offered.

Mr. BANKHEAD. Mr. President, I move to strike out the word "or" in the amendment and substitute "and." As the Senator from New Mexico frankly explained, his amendment is in the alternative, and applies to two separate groups. One category is based upon the number of establishments, and the other, without regard to the number of establishments, is based upon the volume of business. I believe that is discriminatory. I know of stores in my State—and I am sure that every other Senator knows of such stores in his State—which are not connected with chains, but which have a large volume of business. This amendment would apply to such stores simply because they have a large volume of business. Their competitors in the same town are exempt from the operation of the minimum-wage law; but one store or two stores, merely because they do a large business, are brought under it and under the law are required to pay a higher scale of wages than do their competitors in the same town, none of whom are members of a chain. So, I believe that both categories should be combined. They ought to be required to have a certain number of establishments, plus a certain volume of business.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. OVERTON. It is also true, is it not, that there are small business concerns which have five or six little stores?

Mr. BANKHEAD. That is true.

Mr. OVERTON. The volume of business is rather small, although the number may be more than four. The word "or" would make the amendment apply to a small business activity which happened to have four or five small stores.

Mr. BANKHEAD. That is true. I had that in mind. I thank the Senator for supporting the suggestion.

There are many small grocery stores, drug stores, and other establishments which have a number of branch stores in the same town, doing a small volume of business. There is a trend toward moving business establishments away from congested centers and into residential areas, bringing stores to those communities. I know of one group of grocery stores which consists of six or eight stores. I do not know about the volume of business. I do not know whether the volume of business would be as much as $500,000. However, the amendment in its present form would certainly lead to confusion and to varying applications of the law, with no standard except the amount of business transacted.

Mr. BARKLEY. Mr. President, will the Senator yield for a question?

Mr. BANKHEAD. I yield.

Mr. BARKLEY. I can appreciate the Senator's argument with reference to small grocery stores. But let us take a large department store, which does not have as many as five separate establishments. Take Wanamakers, for example, in Philadelphia and New York. I do not know how many stores they have in the country. If they had more than four, of course, they would come within the amendment. But suppose they had only three, and did more than $500,000 worth of business. They might do millions of dollars' worth of business a year, but if they had only three stores, and the two classes were combined, they would come in the same category as small stores doing less than $500,000 worth of business. I am wondering whether the word "and" would exempt the large department stores, such as Garfinckels. That concern probably employs a thousand people. It sends merchandise all over Virginia and Maryland, and perhaps other States. It is engaged in interstate commerce. It may not have more than three stores. I am not sure about the number. I use that name only for illustration. What would be the effect of the amendment on three large department stores which did an enormous business?

Mr. BANKHEAD. They would be exempted.

Mr. BARKLEY. That is the difficulty.

Mr. BANKHEAD. I realize the difficulties in the whole situation, but I feel that it is better to exempt some large establishment rather than to penalize and punish small ones which are trying to serve the best interests of the communities in which they do business.

As I construed the bill originally reported by the committee, it would require a combination of the two elements. It would require that there must be at least four establishments, and that they must do a volume of business of at least $500,000. The Senator from New Mexico, for whom all of us have very great respect, believes that that construction may be doubtful, but it is the construction which I had in mind all the time while the bill was pending.

The Senator from New Mexico stated that the bill would have to be rewritten in conference. Practical Senators must remember that the conferees on the part of the Senate favor a very wide coverage. So they would go into conference on this bill predisposed, as far as they could be, consistently with the will of the Senate, to carry out any plan which increased the coverage.

Consequently, I do not think we should act upon this proposal in the hope of having it remedied in that way for the benefit of the stores which will be discriminated against by the action of the conference committee.

The PRESIDING OFFICER (Mr. BRIGGS in the chair). The Parliamentarian informs the present occupant of the chair that the previous occupant of the chair did not ask whether there was objection to the unanimous-consent request made by the Senator from Alabama.

Mr. BARKLEY. Yes, Mr. President; the previous occupant of the chair did, as I recall, ask if there was objection to the unanimous-consent request; and unanimous consent was granted.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Alabama to the amendment of the Senator from New Mexico is held to be in order; but the clerk states that the Senator from Alabama should be more specific in regard to his amendment, inasmuch as there is more than one place in the amendment of the Senator from New Mexico to which it would apply.

Mr. BANKHEAD. Mr. President, I do not have a copy of the amendment. In view of the fact that the Senator from New Mexico has it, I ask him please to send it to the desk. The Senator from New Mexico knows what I have in mind. It is the "or" which divides his amendment into two categories.

Mr. HATCH. The amendment of the Senator from Alabama applies to my amendment wherever the word "or" occurs; is that correct?

Mr. BANKHEAD. Yes.

Mr. HATCH. Mr. President, to reply briefly to the Senator from Alabama, let me state that I think the amendment I have submitted should be adopted as it is offered. I think the word should be "or" instead of "and." In view of the fact that the committee bill relates to exemptions in the negative form, not in the affirmative form, I believe that the amendment I have offered accomplishes exactly the results of the bill reported by the committee.

I still say my main object now is to get the provision into the measures so that it may be considered in the House of Representatives first, and subsequently in conference. But I am not disposed to argue about the matter at all.

Mr. WHERRY. Mr. President, have the yeas and nays been ordered on the amendment?

Mr. HATCH. No.

Mr. WHERRY. If they are to be ordered, I suggest the absence of a quorum.

Mr. BARKLEY. The yeas and nays were ordered on the amendment of the Senator from New Mexico, but not on the amendment of the Senator from Alabama to the amendment of the Senator from New Mexico.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HICKENLOOPER. What are we about to vote upon now?

Mr. BARKLEY. Mr. President, let me state that there has been a great controversy between the two Houses of Congress for many years about the use of the words "and" or "or." We are now about to vote on the substitution of the word "or" for the word "and," rather than to have both words included with a little slanting line between them.

Mr. BANKHEAD. Mr. President, regardless of what the Senator from Kentucky says, the matter is highly important in this case. The use of one of the words will mean one thing, and the

use of the other word will mean another thing.

Mr. BARKLEY. Mr. President, I was making what now seems to have been a futile effort to be facetious.

Mr. HICKENLOOPER. Mr. President, I should like to know what is the specific question on which we are called to vote at this time.

Mr. BANKHEAD. Mr. President, I made an explanation of the situation just before the Senator from Iowa came into the Chamber. The amendment offered by the Senator from New Mexico seeks to apply the bill and its wage scale to two groups. He says he is directing it to chain stores. Under his amendment, one group is classified as including those which have four or more establishments under the same ownership. The amendment would apply to them. The amendment also would apply, by means of the use of the word "or", to an individual store doing as much as $500,000 worth of business annually.

I have obtained unanimous consent to offer an amendment to the amendment of the Senator from New Mexico, so as to have it stated in the conjunctive, so that the amendment will apply to concerns having four or more separate establishments and doing a business of $500,000 annually.

Mr. HICKENLOOPER. That is the pending question; is it?

Mr. BANKHEAD. That is the pending question. It is whether the word "or" should be changed to "and", so as to require that both conditions exist before the wage scale shall be applied.

Mr. HICKENLOOPER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama [Mr. BANKHEAD] to the amendment of the Senator from New Mexico [Mr. HATCH].

The amendment to the amendment was agreed to.

Mr. MEAD. Mr. President, I wish to comment briefly on the amendment, and at the same time to commend my distinguished colleague from New Mexico for presenting it. I wish to say a brief word in support of the amendment. Coming, as I do, from the great State of New York, I realize that a great many people in my State will be affected by the amendment—perhaps more than in any other State of the Union. I believe we are here dealing with the little people; I mean people with small salaries, limited comforts, and few or no luxuries. The amendment, together with the relief given to workers in the independent chains and stores will afford them a little sunlight and a little sustenance which in my opinion will benefit them and will also benefit the economy of the country.

Under the bill as modified by the amendment, Mr. President, there will be additional coverage, as compared to the existing law. The amendment will extend the coverage of the law to 1,100,000 employees of chain stores and to approximately 540,000 employees of independent stores. Coverage will also be extended to approximately 620,000 employees in the service industries.

Mr. President, in view of the small wage they now receive and in view of the very moderate increase prescribed by the amendment and by the bill, I trust that the amendment presented by my distinguished colleague from New Mexico will receive the approval of the Senate.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH] as amended.

Mr. ELLENDER. Mr. President, I know of no amendment which was offered in committee that presented more difficulty than the one relating to a broader coverage as was intended by the use of the language "employee who is engaged in any activity affecting commerce." I wish to say to the Members of the Senate that there has not been one word of testimony in respect to the effect which such language would have or as to who would be covered by it.

Some of us labored long hours in an effort to obtain a workable minimum-wage bill. We sought to compromise our differences and to bring to the floor of the Senate a reasonable bill—but all to no avail, I am sorry to say.

The language now sought to be placed in the substitute amendment was an aftermath by the proponents of the measure before the committee to have similar language incorporated in the bill. When the amendment was submitted before the committee, Mr. President, as I recall there were only two or three Senators who favored it. The rest of us were against it, for the simple reason that no hearings had been held on the subject and we were at a loss to understand its implications. We thought the amendment was dead. But, lo and behold, the day before the bill was finally voted out of the committee, the matter was resurrected, and by a margin of one vote the language which now is sought to be incorporated in the pending Ellender-Ball substitute was placed in the bill reported by the majority of the committee.

In the agreement which was reached yesterday among a few of us there was a distinct understanding that the language to which reference has been made would not be incorporated in the Ellender-Ball amendment. Although the agreement did not bind anyone in particular, except perhaps those who were present, it was understood that all the exemptions which are now included in the Ellender-Ball amendment would be agreed upon, and no attempt would be made to broaden coverage. We are now confronted with an amendment which will cover many employees who are engaged in intrastate commerce. I do not know to what extent they can be covered because we heard no testimony on the subject. Mr. President, I am very hopeful that the Senate will vote down the amendment. I am sorry that I cannot go into any details with reference to what effect the amendment will have, because, as I have already indicated, we heard not a word of testimony from any source which would indicate the extent to which the language I have referred would cover various industries. I consider it an effort on the part of the advocates of such language to stretch the commerce clause to the breaking point.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HATCH. The Senator from Louisiana has referred to an agreement which was made. I believe, in fairness to the Senator from Florida [Mr. PEPPER] I should make a statement. As the Senator knows, while I conferred in part with some of the Senators in reaching a compromise, I was not a party to the final agreement which was worked out, and had no knowledge of exactly what it contained. I had prepared my amendment. The Senator from Florida came to me before the vote was taken on the Russell amendment and asked me not to offer my amendment because he thought that an offer of it at that time would perhaps be in violation of the agreement which he had made with the Senator from Louisiana and with other Senators as well. I believe the Senator from Louisiana made a similar statement. I compliment both of them for having tried to work out a solution of a difficult situation. I am not criticizing anyone. I refrained from offering my amendment until after the Russell amendment had been voted upon and adopted. There were other amendments which had already been adopted to the Ellender-Ball amendment, such as the one which was offered by the Senator from Montana [Mr. MURRAY], and another one which was offered by the Senator from Maryland [Mr. RADCLIFFE]. It was then that the Senator from Florida said to me, "I think you should offer the amendment. In view of what has taken place, I do not consider the agreement is in force at all."

Mr. ELLENDER. I am not finding fault with anyone.

Mr. HATCH. I merely make the statement which I have made in justice to the Senator from Florida, who did everything he could do in carrying out his agreement with the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I am not finding fault with the distinguished Senator from New Mexico for offering his amendment. But the language sought to be incorporated in the pending measure is, I repeat, something which caused a great deal of difficulty before the committee. I am sure that the Senator from Delaware [Mr. TUNNELL], a distinguished member of the Committee on Education and Labor, will agree with me that we heard little or no evidence in regard to the matter. At one time I thought that the committee had voted finally on the question, and I had taken it for granted that it would never be resurrected again. Here it is again. We are being asked to legislate on a proposal without having had an opportunity to hear any evidence of any kind with regard to it.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TUNNELL. I believe that the Senator is, in the main, correct in what he has said. However, I believe, perhaps, that a statement which was made

yesterday by the Senator from Ohio [Mr. TAFT] with regard to the understanding to which reference has been made might well be considered. On page 3119 of the CONGRESSIONAL RECORD the Senator from Ohio made the following statement:

There was no understanding with regard to the parity amendment except that the whole matter was contingent upon the amendment being rejected. It was assumed that if the amendment were agreed to the bill would be dead in any event. There was no agreement with regard to the amendment. The agreement which was entered into related to provision for a rate of 60 cents an hour in the event the parity amendment was eliminated.

Mr. President, I wish to propound a question to the Senator from New Mexico. The Senator has offered an amendment to a section of the bill which would be stricken out by the Ellender-Ball amendment. If the Ellender-Ball amendment is adopted there will be no words in the bill affecting commerce?

I merely wish to make it plain that there apparently was no understanding with regard to the parity amendment except that as the Senator from Ohio stated, the whole subject was contingent upon the rejection of the amendment.

Mr. ELLENDER. Mr. President, inasmuch as the amendment has been the cause of most of our difficulty, before the committee, in not agreeing to a reasonable bill. I am hopeful that the Senate will vote it down.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH], as amended, to the Ellender-Ball amendment, as amended.

Mr. HATCH. Mr. President, before a vote is taken on the amendment I think a quorum should be present. I therefore suggest the absence of a quorum.

Mr. WHERRY. Mr. President, have the yeas and nays been ordered on this question?

The PRESIDENT pro tempore. They have been.

Mr. WHERRY. Then I join with the Senator from New Mexico in the suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	Myers
Austin	Hatch	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hoey	Reed
Briggs	Johnson, Colo.	Revercomb
Brooks	Johnston, S. C.	Russell
Buck	Knowland	Saltonstall
Bushfield	La Follette	Shipstead
Butler	Langer	Smith
Byrd	Lucas	Stanfill
Capehart	McClellan	Stewart
Capper	McFarland	Taylor
Carville	McKellar	Thomas, Okla.
Connally	McMahon	Tobey
Cordon	Magnuson	Tunnell
Donnell	Maybank	Walsh
Downey	Mead	Wheeler
Eastland	Millikin	Wherry
Ellender	Mitchell	White
Fulbright	Moore	Wiley
Gerry	Morse	Willis
Gossett	Murdock	Wilson
Gurney	Murray	Young

The PRESIDENT pro tempore. Seventy-two Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH], as amended, to the Ellender-Ball amendment, as amended.

Mr. TAYLOR. Mr. President, I should like to make a few brief remarks on the pending amendment before it is acted upon. I have some figures before me which are not quite up to the minute, being figures for 1943, but at that time there were 152,100 male clerks in the United States in wholesale and retail establishments receiving under $800 a year; and there were 146,723 male clerks receiving under $1,200 a year, that is, between $800 and $1,200. At the same time the profits of the department stores had gone up 609 percent. So I think they can afford to pay the increase.

In the Senate we have talked at great length about the poor white-collar worker, who is generally unorganized, but, like the weather, while we have talked about it nobody seems to have done anything about it.

There is one other matter to which I should like to call the attention of the Senate. Here is a statement by Malcomb P. McNair, who is professor of marketing at Harvard Business School and who represents the National Retail Dry Goods Association before the committees of Congress when they have occasion to come before Congress. In a speech delivered before that organization on Thursday, January 10, of this year, he had this to say:

For the most part—

Speaking of these clerks—

these are men of ability and outstanding personnel, with excellent war records, and, frankly, I am disappointed to note how small a proportion of these men evince any interest in the field of retail distribution. Unquestionably, part of the difficulty is in the salary and wage level. Between 1940 and the middle of 1945, average weekly earnings in manufacturing industry increased 60 percent. It is highly probable that at all levels of compensation in retail distribution there will have to be a step-up in the postwar years.

Professor McNair, who represents the National Retail Dry Goods Association, made that statement.

Obviously it is impractical and practically impossible for one retailer to raise his minimum wages unless all retailers do; it places the one who raises them at a competitive disadvantage. So I think that even the retailers, from what Mr. McNair has said, would be glad to pay more if the obligation was imposed upon all of them to raise their minimum wage standards at the same time. So I hope that this group of unorganized white-collar workers will be included in the provisions of the pending minimum pay bill.

Mr. MEAD. Mr. President, will my colleague from Idaho yield to me?

Mr. TAYLOR. I am happy to yield to the Senator from New York.

Mr. MEAD. Supporting the contention of the Senator from Idaho, let me read a very brief article which appeared in the Washington Post of Friday, January 11, 1946. The heading of the article is "Retailers see better service for consumers," and the article has this to say:

"The underpaid sales person is a thing of the past. We want to attract good people to retailing and have to pay to get them," declared Jay D. Runkle, vice president and general manager of Crowley-Milner & Co., a department store in Detroit.

So there is a realization that better pay levels are essential in this day if we are to have better service and attract and retain the people who are really necessary in this activity.

Mr. TAYLOR. I thank the Senator from New York for his valuable assistance. As he says, the retailers themselves realize the necessity of increasing the wage but it is very difficult unless some action is taken to assure that they all increase wages at the same time so that the ones who have the interest of the workers at heart are not penalized by raising wages while their competitors may not have to raise them.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH] as amended by the amendment of the Senator from Alabama [Mr. BANKHEAD] to the Ellender-Ball amendment, as modified.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BUTLER (after having voted in the negative). I have a general pair with the Senator from Alabama [Mr. BANKHEAD]. I thought he was in the Chamber and had voted, but apparently he did not vote on this question. Not knowing how he would vote if present, I transfer the pair to the Senator from Wyoming [Mr. ROBERTSON], and allow my vote to stand.

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of a death in his family.

The Senator from Ohio [Mr. HUFFMAN] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Florida [Mr. PEPPER] and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

The Senator from Alabama [Mr. BANKHEAD], the Senator from Mississippi [Mr. BILBO], and the Senator from Maryland [Mr. RADCLIFFE] are detained on official business at various Government departments.

The Senator from Rhode Island [Mr. GREEN] and the Senator from Pennsylvania [Mr. GUFFEY] are unavoidably detained.

I wish to announce further that on this question the Senator from Utah [Mr. THOMAS] has a general pair with the Senator from New Hampshire [Mr. BRIDGES].

I also announce that on this question the Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED].

I announce further that if present and voting, the Senator from Rhode Island [Mr. GREEN] and the Senator from Pennsylvania [Mr. GUFFEY] would vote "yea."

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from Ohio [Mr. TAFT] is necessarily absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Kansas [Mr. REED] has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from New Jersey [Mr. HAWKES] is detained in committee meeting.

The Senators from Michigan [Mr. VANDENBERG and Mr. FERGUSON] are unavoidably detained.

The result was announced—yeas 35, nays 36, as follows:

YEAS—35

Aiken	Langer	Myers
Barkley	McClellan	O'Mahoney
Capper	McFarland	Russell
Downey	McKellar	Shipstead
Fulbright	McMahon	Stewart
Gossett	Magnuson	Taylor
Hatch	Maybank	Tobey
Hayden	Mead	Tunnell
Hoey	Mitchell	Walsh
Johnson, Colo.	Morse	Wheeler
Knowland	Murdock	Young
La Follette	Murray	

NAYS—36

Austin	Cordon	O'Daniel
Ball	Donnell	Overton
Brewster	Eastland	Revercomb
Briggs	Ellender	Saltonstall
Brooks	Gerry	Smith
Buck	Gurney	Stanfill
Bushfield	Hart	Thomas, Okla.
Butler	Hickenlooper	Wherry
Byrd	Johnston, S. C.	White
Capehart	Lucas	Wiley
Carville	Millikin	Willis
Connally	Moore	Wilson

NOT VOTING—25

Andrews	Green	Reed
Bailey	Guffey	Robertson
Bankhead	Hawkes	Taft
Bilbo	Hill	Thomas, Utah
Bridges	Huffman	Tydings
Chavez	Kilgore	Vandenberg
Ferguson	McCarran	Wagner
George	Pepper	
Glass	Radcliffe	

So Mr. HATCH's amendment, as amended by the amendment of Mr. BANKHEAD, to the Ellender-Ball amendment, as amended, was rejected.

INCREASE IN COMPENSATION OF FEDERAL EMPLOYEES

The PRESIDING OFFICER (Mr. BRIGGS in the chair) laid before the Senate the amendments of the House of Representatives to the bill S. 1415, an act to increase the rates of compensation of officers and employees of the Federal Government, which were to strike out all after the enacting clause and insert:

SHORT TITLE

SECTION 1. This act may be cited as the "Federal Employees Pay Act of 1946."

INCREASE IN CLASSIFICATION ACT PAY RATES

SEC. 2. (a) Each of the existing rates of basic compensation provided by section 13 of the Classification Act of 1923, as amended and supplemented, is hereby increased by $400 per annum. Such augmented rates shall be considered to be the regular rates of basic compensation provided by such section.

(b) The increase in existing rates of basic compensation provided by this section shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

INCREASE IN PAY RATES FOR CUSTOMS CLERKS AND IMMIGRANT INSPECTORS

SEC. 3. Each of the existing rates of basic compensation provided by the act entitled "An act to adjust the compensation of certain employees in the Customs Service," approved May 29, 1928, as amended and supplemented, and those provided by the second paragraph of section 24 of the Immigration Act of 1917, as amended and supplemented, are hereby increased by $400 per annum. Such augmented rates shall be considered to be the regular rates of basic compensation.

INCREASE IN STATUTORY PAY RATES IN THE EXECUTIVE BRANCH NOT UNDER CLASSIFICATION ACT

SEC. 4. (a) Rates of basic compensation specifically provided by statute (including any increase therein computed in accordance with section 602 (b) of the Federal Employees Pay Act of 1945) for positions in the executive branch or the District of Columbia municipal government which are not included in section 102, as amended, of the Federal Employees Pay Act of 1945 or in the District of Columbia Teachers' Salary Act of 1945, and are not increased by any other provision of this act, are hereby increased by $400 per annum. Such augmented rates shall be considered to be the regular rates of basic compensation.

(b) Section 102 (a) of the Federal Employees Pay Act of 1945 is amended by striking out the following: "(3) heads of departments or of independent establishments or agencies of the Federal Government, including Government-owned or controlled corporations."

(c) Notwithstanding the provisions of section 102 (b) of the Federal Employees Pay Act of 1945, subsection (a) of this section shall apply to the directors of the Tennessee Valley Authority and the Chairman of the Advisory Board of the Inland Waterways Corporation.

INCREASE IN PAY RATES IN THE LEGISLATIVE BRANCH

SEC. 5. (a) The first sentence of section 501 of the Federal Employees Pay Act of 1945 is amended by inserting before the period at the end thereof a comma and the following: "plus $400 per annum."

(b) The second sentence of such section 501 is amended to read as follows: "The additional compensation provided by this section and section 502 shall be considered a part of the basic compensation of any such officer or employee for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended."

(c) Section 502 of such act is amended to read as follows:

"ADDITIONAL COMPENSATION IN LIEU OF OVERTIME

"SEC. 502. Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent of the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this act."

INCREASE IN PAY RATES IN THE JUDICIAL BRANCH

SEC. 6. (a) The first sentence of section 521 of the Federal Employees Pay Act of 1945 is amended by inserting before the period at the end thereof a comma and the following: "plus $400 per annum."

(b) The second sentence of such section 521 is amended by inserting after "section 405 of this act" the following: "and section 2 of the Federal Employees Pay Act of 1946."

(c) Section 522 of such act is hereby repealed.

LIMITATION ON AGGREGATE RATE PAYABLE

SEC. 7. (a) Section 603 (b) of the Federal Employees Pay Act of 1945 is amended by inserting after the words "by reason of the enactment of this act" the words "or any amendment thereto."

(b) Notwithstanding any other provision of this act no officer or employee shall, by reason of the enactment of this act, be paid with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by the Federal Employees Pay Act of 1945, as amended, at a rate in excess of $10,000 per annum.

VESSEL EMPLOYEES

SEC 8. (a) Section 102 (d) of the Federal Employees Pay Act of 1945 is amended to read as follows:

"(d) This act, except sections 606 and 607, shall not apply to employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, to vessel employees of the Coast and Geodetic Survey, to vessel employees of the Department of the Interior, or to vessel employees of the Panama Railroad Company."

(b) Section 606 of such act is amended to read as follows:

"VESSEL EMPLOYEES

"SEC. 606. Employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, vessel employees of the Coast and Geodetic Survey, vessel employees of the Department of the Interior, and vessel employees of the Panama Railroad Company, may be compensated in accordance with the wage practices of the maritime industry."

COMPENSATORY TIME OFF FOR IRREGULAR OR OCCASIONAL OVERTIME WORK

SEC. 9. Section 202 (a) of the Federal Employees Pay Act of 1945 is amended by striking out "48 hours" and inserting in lieu thereof "40 hours."

NIGHT PAY DIFFERENTIAL

SEC. 10. That part of section 301 of the Federal Employees Pay Act of 1945 which precedes the first proviso is amended to read as follows: "Any officer or employee to whom this title applies who is assigned to a regularly scheduled tour of duty, any part of which, including overtime, falls between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian, shall, for duty between such hours, excluding periods when he is in a leave status, be paid compensation at a rate of 10 percent in excess of his rate of basic compensation for duty between other hours:".

PAY FOR HOLIDAY WORK

SEC. 11. That part of the first sentence of section 302 of the Federal Employees Pay Act of 1945 which precedes the proviso is amended to read as follows: "Any officer or employee to whom this title applies who is assigned to duty on a holiday designated by Federal statute or Executive order during hours which fall within his basic administrative workweek of 40 hours shall be compensated for not to exceed 8 hours of

such duty, excluding periods when he is in a leave status, in lieu of his regular rate of basic compensation for such duty, at the rate of twice such regular rate of basic compensation, in addition to any extra compensation for night duty provided by section 301 of this act:".

PAY RATES FOR GRADES 9 AND 10 OF THE CRAFTS, PROTECTIVE, AND CUSTODIAL SERVICE OF THE CLASSIFICATION ACT

SEC. 12. (a) Section 13 of the Classification Act of 1923, as amended, is hereby further amended by striking out the second paragraph relating to grade 9 of the Crafts, Protective, and Custodial Service and substituting therefor the following:

"The annual rates of compensation for positions in this grade shall be $2,870, $2,980, $3,090, $3,200, $3,310, $3,420, and $3,530."

(b) Section 13 of the Classification Act of 1923, as amended, is hereby further amended by striking out the second paragraph relating to grade 10 of the Crafts, Protective, and Custodial Service and substituting therefor the following:

"The annual rates of compensation for positions in this grade shall be $3,200, $3,310, $3,420, $3,530, $3,640, $3,750, and $3,860."

(c) With respect to grades 9 and 10 of the Crafts, Protective, and Custodial Service, the increase in rates of basic compensation provided by section 2 of this act shall be computed on the rates of basic compensation established for such grades, as amended by subsections (a) and (b) of this section.

GENERAL ACCOUNTING OFFICE

SEC. 13. This act and any other general legislation, heretofore or hereafter enacted governing the employment, compensation, emoluments, and status of officers and employees of the United States shall apply to officers and employees of the General Accounting Office in the same manner and to the same extent as if such officers and employees were in or under the executive branch of the Government.

APPROPRIATIONS AUTHORIZED

SEC. 14. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act: *Provided*, That with the exception of the Veterans' Administration, no greater amount shall be appropriated to any executive department or agency for salaries for the fiscal year 1947 than the amount made available for such purpose for the fiscal year 1946.

EFFECTIVE DATE

SEC. 15. This act shall take effect on July 1, 1946.

Amend the title so as to read: "An act to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes."

Mr. DOWNEY. Mr. President, I ask unanimous consent that the bill just laid before the Senate—S. 1415—be printed showing the House amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOWNEY. Mr. President, I now move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, the motion of the Senator from California is agreed to. The conferees will be announced later.

Mr. DOWNEY subsequently said: Mr. President, a few moments ago when the present occupant of the chair was not in the chair, the Senate, by unanimous consent, disagreed to the amendment of the House of Representatives to the Federal pay bill, and instructed the appointment of conferees. I suggest, if it is agreeable, that the Chair might now appoint the conferees.

The PRESIDENT pro tempore. The Chair appoints the following conferees: The Senator from California [Mr. DOWNEY], the Senator from Virginia [Mr. BYRD], the Senator from North Dakota [Mr. LANGER], and the Senator from Iowa [Mr. HICKENLOOPER].

Mr. MEAD. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MEAD. I desire to ask the distinguished Senator from California if it is customary to appoint an even number of conferees representing both parties. Is that the practice?

Mr. DOWNEY. I do not think it is the usual practice, but this arrangement was worked out. Does the Senator have any particular objection to it?

Mr. MEAD. Only that, of course, I was interested in the civil service employees' pay bill.

Mr. DOWNEY. The distinguished Presiding Officer said that he preferred not to act, but, doubtless, if the Senator desires to make a point of it, the Presiding Officer might be prevailed upon to become a member of the conference.

Mr. MEAD. It occurs to me that in the past when we have appointed conferees the committee has had one member of the majority in excess of the number representing the minority party. If the distinguished Senator wants my assistance and cooperation, I shall be very glad to join the committee in this very meritorious enterprise.

Mr. DOWNEY. I may say to the distinguished Senator from New York that his views being closer to mine than the views of other Senators, I should be happy to have him there on the committee, but unfortunately he is not the senior member. Two other members, the Senator from Tennessee [Mr. MCKELLAR] and the Senator from Georgia [Mr. GEORGE] have greater seniority on the committee than does the Senator from New York. This arrangement was worked out, I may say to the Senator, for this reason: We believed that it gives to both sides, having different viewpoints on the Federal pay bill, equal representation.

It is true, of course, that the Senate voted 2 to 1 in favor of the Byrd amendment which, of course, was not acceptable to the chairman of the committee, but this arrangement was worked out so as to give to both sides, regardless of their particular partisan position, representation on the committee. I do not believe, from the viewpoint of the distinguished Senator from New York, that anything would be gained by enlarging the committee to five.

Mr. MEAD. Mr. President, will the Senator from California yield?

Mr. DOWNEY. I yield.

Mr. MEAD. I was of the opinion that when two were appointed from the majority side it might be difficult to get a third member. The Senator pointed that out himself, and he alluded to the President pro tempore, who is a member of the Committee on Civil Service, as not wishing to become a member of the conference committee, and I thought that I would volunteer my services, if the able chairman of the Committee on Civil Service thought he could use me.

Mr. AIKEN. Mr. President, I should like to say a word, as a member of the Committee on Civil Service. It appears to me that an odd number on a conference committee would be more likely to reach an agreement with conferees from the other House than an even number, particularly if it is known that the members of the even-numbered committee were evenly divided for and against certain propositions.

I hope the President pro tempore will see fit to appoint an odd number on this committee. I realize I am not in position to say much about the bill, because I was home ill at the time it was voted upon. Otherwise, I should have opposed the Senate version of the Federal pay bill, which cut the increase to only 11 percent. Since then, however, hundreds of thousands of employees of industries throughout the United States have gone out on strike and have received an 18½-cent increase in pay. Therefore, I do not think the conferees on the part of the Senate should be bound by the action of the Senate, which was taken last October. None of these industrial employees had received an increase at the time the Senate voted an 11-percent increase, but industry generally is to pay the 18½-cent increase, and it appears to me the matter could be worked out better with a committee of an uneven number. I hope the President pro tempore, now presiding, will appoint a fifth member on the conference committee.

The PRESIDENT pro tempore. The committee was worked out, as is done in all cases, by the chairman of the committee which was in charge of the bill, in this case the Civil Service Committee, in cooperation with the opponents of the bill. While the present Presiding Officer is a member of the Committee on Civil Service, he did not hear the testimony. The Chair is very much in favor of an increase in salaries, but the Chair did not hear the testimony on this particular measure, and did not think he should be a member of the conference committee.

For these reasons the Chair appointed the committee as the list was handed to him by the chairman of the Committee on Civil Service, who said it had been agreed upon by those who were interested in the matter. If there shall be any trouble in the future, if the committee shall be evenly divided and so reports to the Senate, the Senate will have an opportunity to change the committee at any time.

Mr. AIKEN. If I may say one more word in explanation, I am perfectly willing to give up any seniority right I might have as a member of the Committee on Civil Service so that the Senator from Iowa [Mr. HICKENLOOPER] may become a member of the conference committee. I still think, however, it should be an odd-numbered committee, and if our very

able Presiding Officer, the Senator from Tennessee [Mr. McKELLAR], who is also a member of the Committee on Civil Service, is unable himself to serve on the conference committee, it would appear that the Senator from New York [Mr. MEAD] would be the next in line on the Democratic side of the committee according to the rule of seniority.

I hope the Senator from Maine and the Senator from California, who talked to me this morning about the matter, will agree to five members on the committee. I think that is the only fair thing to do in the interest of two or three million employees of the United States.

TOLL BRIDGE ACROSS THE MISSOURI RIVER NEAR DECATUR, NEBR.

The PRESIDING OFFICER (Mr. STEWART in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1425) to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940, which were, after line 10, to insert:

SEC. 2. No toll or other charge shall be levied against any employee, civil or military, or any vehicle or conveyance, of the United State Government for the use of such bridge in the performance of official duties.

And in line 11, strike out "2" and insert "3."

Mr. BUTLER. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. BUSHFIELD. Mr. President, the present law passed in the Seventy-fifth Congress contains a provision which deals with what is known as the area of production. That provision was omitted from the pending bill. I send to the desk an amendment covering the subject of the area of production, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be received and will lie on the table. There is an amendment by the Senator from New Mexico [Mr. HATCH] pending at the moment. The amendment offered by the Senator from South Dakota will be stated for the information of the Senate, if the Senator desires.

Mr. BUSHFIELD. Yes, I do.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota, which is on the table, will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 12, line 7, it is proposed to insert the following:

(9) To any individual employed within the area of production (as defined by the Administrator) engaged in the handling, packing, storing, ginning, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products.

Mr. BUSHFIELD. Mr. President, if it is in order, I ask for the yeas and nays on the amendment which I have offered.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH] to the committee amendment, on page 16, line 19. This amendment was offered yesterday, and takes precedence over the amendment of the Senator from South Dakota. His amendment can be called up later.

Mr. HATCH. Mr. President, the amendment which is now the business before the Senate is an amendment which I offered yesterday to the committee amendment. Even if that amendment should be adopted, it is now apparent, from the tone of the Senate, that the Ellender-Ball amendment will be adopted, which would automatically dispose of the amendment now pending, even though it should be adopted. I see no good purpose in further complicating an already complicated situation. However, I wish to make this observation as to the amendment which was just defeated by the small margin of one vote: The closeness of that vote clearly indicates to my mind that the subject of the amendment should be further considered. Either it should be considered by separate legislation, which might be referred to the Committee on Education and Labor, where full hearings could be held and action could be taken, or, if this measure goes to the House of Representatives, that body might well look upon the close vote which has just been had, and consider the subject in the hope, from my standpoint, that the House of Representatives will deal with it adequately and as I think it should be dealt with. However, I see no purpose to be served now in voting on the pending amendment. Therefore I withdraw it.

The PRESIDING OFFICER. The amendment of the Senator from New Mexico having been withdrawn, the question now is on agreeing to the amendment offered by the Senator from South Dakota [Mr. BUSHFIELD].

Mr. BUSHFIELD. I ask for the yeas and nays.

Mr. HAYDEN. Mr. President, I do not quite understand the pending amendment. My understanding is that the Ellender-Ball amendment leaves the existing law, so far as inclusions or exemptions are concerned, exactly as it was. If that be the case, then the pending amendment is unnecessary. I should like to have the question clear in my mind. I am not in favor of the amendment just offered, because I think it would be a mistake to do what it proposes. It includes in the "area of production" scheme workers in packing sheds and workers in canneries. To my mind they are clearly industrial labor and not agricultural labor. It has to do with manufacturing—what we call the "first processing." It is all connected with the "area of production."

Is the Senator sure that his amendment is necessary?

Mr. BUSHFIELD. In view of what has been said about the Ellender-Ball proposal, I am not sure. However, I am looking directly toward the small elevators in my State, usually one-man affairs. They are for the purpose of serving the farm people in my State. Employees of such elevators work at all hours, and without any regard to the number of hours.

Mr. HAYDEN. I do not understand that they are now covered, or that there is any proposal to cover them.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. AIKEN. As I understand, if the Ellender-Ball substitute is agreed to, the amendment of the Senator from South Dakota will be unnecessary. However, in order to eliminate the "area of production" theory from the present law, it would be necessary to offer an amendment to the Ellender-Ball substitute.

Mr. HAYDEN. That is the way I understand it.

Mr. LA FOLLETTE rose.

Mr. AIKEN. Perhaps the Senator from Wisconsin can advise us on this question. I believe I am correct in stating that the amendment of the Senator from South Dakota is now unnecessary to accomplish the purpose which he seeks, assuming that the Ellender-Ball amendment is substituted for the committee amendment.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. LA FOLLETTE. It is my understanding that the Ellender-Ball substitute does not change existing law in any respect whatsoever so far as exemptions or exclusions are concerned. I will ask the Senator from Delaware [Mr. TUNNELL] to correct me if I am in error. I believe that the representatives of the small elevators who appeared at the hearings were opposed to the bill which was then pending before the committee, which proposed to eliminate a number of exemptions in existing law, and which would have brought small elevators under the terms of the act had the bill then pending before the subcommittee for hearing been ultimately enacted into law.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. BUSHFIELD. It is my understanding that the "area of production" clause in the existing law would be eliminated by the pending bill.

Mr. LA FOLLETTE. Not by the Ellender-Ball substitute. The Ellender-Ball substitute does not propose to make any changes whatsoever in any of the provisions of existing law. It has to do with exemptions. But the committee bill did propose, both through rewriting the existing so-called agricultural exemptions, and also by bringing in the concept of "affecting commerce," widely to extend the coverage of the Fair Labor Standards Act.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. RUSSELL. I agree with the interpretation of the Senator from Wisconsin. In the event the Senate adopts the so-called Ellender-Ball amendment, as amended, this amendment will not be

necessary. But if the Senate should reject the Ellender-Ball amendment as amended, the Senator from South Dakota should offer his amendment to protect the group in which he is interested.

Mr. HAYDEN. It seems to me to be wholly unnecessary at this time for the Senator to offer his amendment.

I should like to make one further observation, although it may be idle to do so, in view of the way the Senate is voting. I think it is a mistake to include in the exemption packing-house workers as agricultural laborers. I think it is a mistake to include cannery workers as agricultural laborers. Yet that is what the existing law now does, as I understand. In my own State lettuce is grown in the wintertime. The lettuce is gathered in the field and brought to packing sheds. Under existing law the packing-shed worker who handles the lettuce and puts it in a crate is an agricultural worker. I do not understand why that should be. It does not make sense. But that is the way it is, and apparently there is no chance to change it.

Mr. AIKEN. Mr. President, will the Senator yield so that I may make one further observation?

Mr. HAYDEN. I yield.

Mr. AIKEN. If the exemption for the "area of production" is left in the law as it now is, at some point during the progress of this bill—if it can be called progress—a definition of the term "area of production" should be written into the law by the Congress. The Department of Labor has found it almost impossible to define "area of production." It has attempted to do so, but its definitions have been thrown out by the courts, and the Department has been pleading with some of us to place in the law a definition of "area of production," so that the Department will have something to go by, because every effort it has made to define "area of production" has amounted to nothing, since when it gets to the courts it is declared illegal.

Mr. BUSHFIELD. Mr. President, I am advised that it is in order at this time to offer my amendment to the bill itself.

The PRESIDING OFFICER. It is in order as an amendment to the committee amendment. Does the Senator so offer it?

Mr. BUSHFIELD. I so offer it, Mr. President.

Mr. WILEY. Mr. President, I desire to offer an amendment to the Ellender-Ball amendment. I ask whether it is in order for me to offer such an amendment at this time.

The PRESIDING OFFICER. The pending question is the amendment offered by the Senator from South Dakota.

Mr. WILEY. I understood the Senator from South Dakota had withdrawn the amendment, and had offered it to the Ellender-Ball amendment.

The PRESIDING OFFICER. He has offered it to the committee amendment.

Mr. WILEY. Is it in order for me to offer an amendment to the Ellender-Ball amendment at this time?

The PRESIDING OFFICER. The Senator from Wisconsin may send such an amendment to the desk and have it stated and lie on the desk, but it cannot be considered and acted on at this time, because the pending question is the amendment offered by the Senator from South Dakota.

Mr. WILEY. I should like to ask the Presiding Officer the privilege of being recognized after the pending amendment is disposed of.

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from South Dakota [Mr. BUSHFIELD] to the committee amendment.

Mr. BARKLEY. Mr. President, is the vote about to be taken on the amendment of the Senator from South Dakota?

The PRESIDING OFFICER. The Chair was putting the question on the amendment offered by the Senator from South Dakota to the committee amendment when the Senator from Kentucky addressed the Chair.

Mr. BARKLEY. I was just saying to the Senator from South Dakota, and I think he agreed, that if the Ellender-Ball amendment is agreed to as a substitute for sections 2 to 9, the law will be left as it is now, and his amendment would not be necessary to the bill at all. That would not deprive him of the right to offer it later to the bill. But it seems to me unnecessary to have it in the law twice. It is in the law now, and the Ellender-Ball amendment does not interfere with it. If it is added now to the bill, it will be in the law twice.

Mr. BUSHFIELD. Mr. President, will it do any harm if it is in the law twice?

Mr. BARKLEY. I suppose not, but it would not look like very good legislation.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota to the committee amendment.

Mr. BUSHFIELD. I call for a standing vote.

The PRESIDING OFFICER. A division is asked for.

On a division, the amendment was agreed to.

Mr. WILEY. Mr. President, as I said a few minutes ago, I desire to offer an amendment to the Ellender-Ball amendment. I offer the amendment, send it to the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of section 2 of the Ellender-Ball amendment it is supposed to insert the following new section:

SEC. —. Section 7 of the act is amended by striking from the phrase "(as defined by the administrator)", which appears in subsection (c) thereof, the word "Administrator", and inserting in lieu thereof the words "Secretary of Agriculture."

At the end of section 3 of the Ellender-Ball amendment it is proposed to insert the following new section:

SEC. —. Section 13 of the act is amended by striking from the phrase "(as defined by the administrator"), which appears in item (10) of subsection (a) thereof, the word "Administrator," and inserting in lieu thereof the words "Secretary of Agriculture."

Mr. WILEY. Mr. President, the second clause of section 7 (c) of the present act grants an exemption from the maximum hours and overtime requirements, only, of the present act, applicable only during 14 weeks of the year, to the employees of and in establishments engaged in the first processing of agricultural or horticultural commodities during seasonal operations—if they are so engaged "within the area of production," as defined by the Administrator of the act. This partial exemption should not be confused with the partial exemption granted by the first clause of section 7 (c), or with the partial exemptions for specified operations granted by the second clause of section 7 (c), which are definite, and not subject to the "area of production" qualification.

Section 13 (a) (10) of the present act grants a complete exemption from the minimum wage and maximum hours and overtime requirements of the act for employees engaged in "handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products"—if they are so engaged "within the area of production," as defined by the Administrator of the act.

My amendment will make only the change in the present law—that is, it will require that the term "area of production," of agricultural and horticultural commodities be defined by the Secretary of Agriculture, rather than by the Administrator of the act.

It has been suggested by the Administrator that the term "area of production"—with respect to the various agricultural and horticultural commodities—is impossible to define.

I submit, Mr. President, that the "area of production" concept has not been given a fair trial. No effort has been made to formulate definitions which are realistic, which take account of the facts and conditions surrounding the production, processing, and marketing of agricultural and horticultural commodities, and which would give effect either to the letter or the spirit of the provisions of these exemptions as contained in the effective act.

With the exceptions of dry edible beans and Puerto Rican leaf tobacco, the Administrator has made no effort to issue separate definitions for different commodities, despite the great differences between the actual areas of production of the various commodities.

The definitions which the Administrator has issued have been strained and unrealistic and clearly designed to restrict the application of the exemptions to the fewest possible number of persons engaged in the occupations named in the exemptions. This has been done by restricting the definition to occupations on the farm on which the commodities are produced, by defining "area of production" in terms of the distance which commodities move from the farm to the plant at which they are handled, in terms of the number of persons engaged in the named operations, in terms of the population of the towns where the processing establishments are located. The courts, including the United States Supreme Court, have quite properly held such definitions invalid, because, if given effect, they would frustrate the intention

of the Congress in enacting the exemptions.

The strained, unrealistic, and improper definitions which have been issued probably are, to a considerable extent, the result of ignorance on the part of the Administrator and his staff with respect to the circumstances and conditions of the actual production, harvesting, processing, and marketing of agricultural and horticultural commodities. It can scarcely be doubted that they are also, in part, the result of the intent of the Administrator to nullify—insofar as possible—the exemptions granted by the Congress.

The Secretary of Agriculture has a staff of experts on the production, harvesting, and marketing of agricultural and horticultural commodities who are also well informed on the processing of such commodities. In the very nature of things, the Secretary of Agriculture is infinitely better qualified and equipped, than the Administrator, to define "area of production" for the various agricultural and horticultural commodities; and I strongly recommend that the Senate vote to transfer that duty and authority to him.

Mr. President, the present occasion affords me an opportunity for saying a few words concerning the pending bill. It will be noted that the amendment which I sent to the desk merely calls for a transference of authority to the Secretary of Agriculture, who is the key man, the man with the appropriate background, and is at least supposed to have the vision which will comprehend the problems existing in the various areas of production.

Yesterday I voted for the Russell amendment. We have heard a great deal concerning the necessity of raising the wages and compensation of practically every group of workers in the country. A few minutes ago conferees were appointed to consult with conferees of the House of Representatives on a Federal pay bill. Those conferees will endeavor to arrive at an agreement with reference to how much the compensation of Government employees should be increased. I was not in favor of the Russell amendment merely because I am for the farmer. I was in favor of the Russell amendment because I am for the United States of America and its people. During the past decade approximately 6,000,000 people left the farms. If such an exodus continues, there will not be production, and production is vitally needed throughout the country. I believe the figures show that since 1940 approximately 5,000,000 people have left the farms, and that during the past decade, as I have said, approximately 6,000,000 people left the farms. Perhaps there are persons in this country who wish to see a grand exodus from the farms. I know that the farmer is the backbone of the Nation. When I look around this Chamber and see men who were produced by and on the farms, and when I examine the pages of history and consider the character of great statesmen of the past who came from farms, I do not want to see the source of supply of American manpower come to an end. However, Mr. President, that will take place if we do not make life on the farms more interesting.

Why is it inflationary, as some contend, to allow the farmer to receive higher prices for his products and be enabled to meet the higher expenses which are constantly thrust upon him, and yet it is not inflationary to grant increases in the compensation paid to labor, the manufacturer, and Government employees? Why is the so-called farm bloc criticized for asking that the farmer be allowed to receive his cost of production when no word of criticism along that line is heard with reference to the labor bloc? The Government gave labor the green light and the labor bloc started this whole inflationary spiral, especially the PAC, and the Government did nothing to prevent it. Instead, it said in effect, "Come on boys, we are with you. You can get a 25-percent increase, and the cost of the goods you will buy will not be increased whatever." Strikes and nonproduction followed and the administration sat by doing nothing. Production ceased and unemployment increased, but labor got its increase and prices went up.

Mr. President, it is time that we remove the blinders from our eyes and give to the farmer what he is entitled to receive. I repeat that I am not speaking only for the farmers, 23,000,000 of them. I am speaking for the millions of persons who reside in cities and depend on a maximum production of food. I speak for the economic and physical health of this Nation. I do not wish to see an exodus from the farms. I want to see an exodus from the cities back to the farms. I want to see farm life made more and more interesting. After all, the farm is the laboratory of life. There we see vegetable life and animal life. There we see, going on and on, a part of the mystery of creation.

Mr. President, I also stand for the proposition that the farmer is just as worthy of his hire as is the laborer. The farmer must now pay an increased cost for labor and material as well as an increased price for farm machinery. If the farmer wants to obtain help he must meet on the labor market wages which are paid in the city.

Mr. President, today I was interested in reading an editorial from the Christian Science Monitor entitled "Financing Idleness." It reads, in part, as follows:

> Payments to the jobless are being raised in Massachusetts and other States to a level where it will often bring more money to a person to be idle than to work. The trend is toward lifting unemployment compensation to $25 a week for from 23 to 26 weeks—a possible maximum to be drawn from the State of between $575 and $650.
>
> As it happens, $25 a week in unemployment benefits is equivalent to about $30 in wages.

The minimum rate of compensation which we are being asked to fix for 40 hours would give a man 60 times 40, or $24 a week. However, according to the editorial from which I am reading, we are willing to allow him to sit around and at the same time pay him $25 a week for doing nothing. So, Mr. President, when we talk about legislating for one segment of our economy we must think about the effect it will have upon all segments. That situation has something to do with the farmer. There are many persons who would prefer to receive $25 a week and do nothing than to receive 60 cents times 40, or $24 a week, and work for it.

The editorial continues as follows:

> The $25 from the State is a clear payment; the recipient gets it all. But out of what an employer pays must be deducted the withholding taxes, plus an employee's expenses, such as car fare, lunches, wear on clothing, etc. Consequently, many an employee will figure out that he can do just as well or better by staying home and living on unemployment compensation as by working for $27, $28, $30, or a bit more.

There you have it, Mr. President. We are endeavoring through the pending bill to solve all the problems of America. At least, some persons believe that to be the situation. We are asked to establish a floor of 60 cents an hour, and then make certain exceptions. Yet, in many respects we are financing idleness.

Mr. President, I ask unanimous consent that the entire editorial from the Christian Science Monitor of April 3, 1946, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FINANCING IDLENESS

Payments to the jobless are being raised in Massachusetts and other States to a level where it will often bring more money to a person to be idle than to work. The trend is toward lifting unemployment compensation to $25 a week for from 23 to 26 weeks—a possible maximum to be drawn from the State of between $575 and $650.

As it happens, $25 a week in unemployment benefits is equivalent to about $30 in wages. The $25 from the State is a clear payment; the recipient gets it all. But out of what an employer pays must be deducted the withholding taxes, plus an employee's expenses, such as carfare, lunches, wear on clothing, etc. Consequently, many an employee will figure out that he can do just as well or better by staying home and living on unemployment compensation as by working for $27, $28, $30, or a bit more.

One of the best-posted authorities on unemployment compensation in New England puts it this way:

"Recently the union obtained a minimum wage of 65 cents an hour in the cotton textile mills and 75 cents in the woolen mills. These increases helped a great deal in recruiting needed labor. Now, what will happen if a worker can get as much or more by not working?"

To go on unemployment compensation a jobless worker must accept suitable employment when offered to him. But the United States Employment Service is now desperately handicapped by having so few jobs to offer of a character that is widely suitable. That helps to make an applicant for benefits practically the judge. He can generally obtain the payments if he wants them.

Unemployment insurance deserves to be strengthened and protected. But legislation which calls for payments which are an inducement to idleness deserves more study than it is now receiving.

Mr. WILEY. Mr. President, I made reference to a so-called farm bloc. This morning at 11:50 a. m. I had the privilege for the first time since I became a Member of Congress of being called upon by representatives of what might be called the farm bloc. I felt honored. They

came and asked me to submit the amendment which I have sent to the desk. Yesterday the Senator from Ohio [Mr. TAFT] was to have submitted it. He has been called out of the city. All the amendment seeks to do is to provide that the Secretary of Agriculture shall do the job instead of the Administrator.

Mr. President, I hold in my hand extracts from testimony which was taken before the Senate Committee on Education and Labor during the months of September and October last, with reference to Senate bill 1349. The testimony contains the statements of S. R. Nichols, National Cotton Compress and Cotton Warehouse Association; A. C. Remele, Northwest Country Elevator Association; R. B. Bowden, vice president, Grain and Feed Dealers' Association; Samuel Fraser, secretary, International Apple Association; and Charles W. Holman, secretary, National Cooperative Milk Producers Federation. I ask unanimous consent that the statements be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

EXTRACTS FROM TESTIMONY ON S. 1349 BEFORE SENATE EDUCATION AND LABOR COMMITTEE, SEPTEMBER AND OCTOBER 1945

STATEMENT OF S. R NICHOLS, NATIONAL COTTON COMPRESS AND COTTON WAREHOUSE ASSOCIATION

It is obvious from the foregoing that in order to serve the producer and to provide these essential services the warehouse as well as the cotton gin must be located with peculiar reference to the farms that produce the cotton. It is not only a fact that the facilities of the warehouse industry are located close to the farms, but it is true that the warehousemen utilize farm labor in the performance of these services. The same labor that plants, cultivates, and gathers the cotton crop on the farm in between times performs the handling services involved in the warehousing, assorting, and distribution of the cotton into consumable lots for the cotton mills. An authoritative study made of the source of warehouse labor in one State found:

"The labor employed by Tennessee compresses for handling and compressing cotton usually comes from the farms or areas about the compress." [1]

This is particularly significant as most of the compress-warehouse facilities in Tennessee are located in cities such as Memphis, which is one of the largest cities in the South. While it is true that in the larger communities, such as Atlanta, Ga., New Orleans, La., Memphis, Tenn., and other cities of that character, the competition between the warehouses and the farmer is not as great as it is in the smaller communities, the competition is nevertheless present to a greater extent than most people would normally suppose. But even considering the facilities located in the larger cities, 99 percent of the warehouses are located in close proximity to the cotton fields and the farms that produce the cotton.

STATEMENT OF A. C. REMELE, NORTHWEST COUNTRY ELEVATOR ASSOCIATION

The total number of elevators operated by members of the association is approximately 1,000. In addition to the elevators included in the membership of the association, there are in the four States named approximately 3,000 elevators operated by independent owners and cooperatives.

Nature of facilities: Country elevators are facilities located in the grain-growing areas of the States above named, as well as other areas in the United States, and are constructed for receiving, storing, and shipping of grain raised in the surrounding territory and hauled in by farmers in wagons or trucks. They constitute the primary markets for grain and seeds and are located in nearly all towns, villages, and sometimes at mere railroad sidings in the grain-growing area. In many instances they take the place of storage facilities at the farm, as a great percentage of farmers haul their grain directly from the threshing machine to these storage facilities and have no facilities for storing their grain other than these country elevators.

Employees: In a large percentage of the elevators in this area there is but one employee, known as the manager. For example, out of 136 elevators reporting in Minnesota, 100 had but 1 employee; out of 155 reporting in Montana, 117 had 1 employee; and in North Dakota, out of 559 reporting, 229 had 1 employee.

The manager is in complete charge of the elevator, and his duties consist of weighing and taking into the elevator the grain hauled in from the farm and diverting it through mechanical devices to bins in the elevator, either buying the grain at the time of the receipt or issuing storage receipts therefor and subsequently shipping the same to terminal markets. He must have a specialized knowledge of all kinds of grain, including skill in the matter of determining grade and quality, usually fixes his own hours, on which there is no check, and his status is entirely different from the status of employees working in industrial plants or factories. He does very little physical work, since the grain is all handled by machinery, and his chief value lies in his ability to get business and to properly grade and price the grain offered for sale.

Quite a large percentage of the elevators in the Northwest area have what is known as a second man, who assists the elevator manager with his duties and is usually in line for a position as manager when he has become sufficiently competent to be advanced to such position. Where there are more than two employees it is usually because of the fact that the elevator is engaged in the handling of coal, twine, flour, and feed which are being sold at retail to farmers.

Managers and second men are almost without exception paid on a monthly basis, are usually old employees; and the average monthly salary for managers is approximately $190, while second men receive a monthly salary averaging $140.80.

Hours: The elevators in the four Northwestern States in which we are primarily interested are all operated under State licenses as public utilities and are supervised by regulatory bodies known as railroad and warehouse commission, public service commission, etc. They are required by law to receive grain tendered for storage and cannot be closed except with the consent of the regulatory body.

The grain producers in this area have been accustomed during the threshing season to haul their grain to the elevator directly from the threshing machine; and since these machines work long hours, elevator employees have, during the time of heavy movement, kept their elevators open sometimes considerably in excess of 12 hours per day. It is a matter of extreme importance to the producers to take advantage of every available hour of good weather to harvest the grain and haul the same to the elevators, so as to take it out of the hazards of weather and other factors that may result in damage to the crop. The hours at these elevators have, therefore, been adjusted to meet these requirements. For a large part of the year the hours are much shorter; and while the elevators usually are kept open during business hours, there are many weeks during the year when the manager has very little to do and many days when he does not take in a single load of grain but keeps his plant under observation so that if some grain is offered he can take it in. There is no one present at his station to check his hours, and he uses his own judgment as to what time he ought to put in at his elevator. This is quite unlike the situation prevailing in factories and plants in other lines.

Hours of employment are not a factor in these small towns and villages, and the employees in the stores, garages, and other little businesses usually found are not much concerned with the hours of work.

Origin of the grain: The grain received at these elevators is hauled from farms varying considerably in the matter of their distance from the elevator, depending upon the number of stations that are to be found in any given area. In more thickly populated sections of Minnesota the distance may not exceed 15 to 20 miles, whereas in some sections of North Dakota, South Dakota, and Montana the nearest elevator to some of the grain farms would be as much as 50 to 100 miles.

If we are denied the exemption we would have to keep hours in these country plants. A country elevator, of course, is located out in every little town and village throughout Minnesota and North Dakota and all the grain-growing area. The employees in these plants have to adjust their hours to the hours that are observed by the farmers in the locality. The farmers, of course, during the threshing season especially work long hours; they have got to get the grain in before rain or some other thing deteriorates the crop, and we are the storage facility for many of these farmers. Most of the farmers do not have sufficient storage capacity on the farm to take care of it, and they haul the grain right from the thresher into the elevator.

The employee in these elevators works overtime perhaps to the extent, in the busy season, of as much as 60 or 70 hours, and it would be a terrific burden on us as the employers to pay them overtime for the hours over 8 per day.

Well, in these last years they have been busy 3 or 4 months of the year, especially busy, but they work 50 or 60 hours most of the year. I mean they put that much time in at the elevator. They do not work hard all the time; they do not do anything a lot of the time.

STATEMENT OF R. B. BOWDEN, VICE PRESIDENT, GRAIN AND FEED DEALERS ASSOCIATION

With the passage of the amendment proposed here, the 40 cents per hour minimum would be increased by 62 percent, and the longer hours worked commonly in a country elevator would bring the added problem of overtime. The country elevator is not a 40-hour-per-week establishment; it is so close to the farm that its hours must conform more closely to the farmer's hours, especially during the harvest season.

We estimate that the average employee works, or is at the elevator, 56 hours per week; that he may work as many as 80 hours per week during the peak of a big harvest season. There will be weeks during the year when he is on duty perhaps for 56 to 60 hours, but will have little actual trade to handle or work to do. Our concern obviously is more with overtime than with the hourly rate before overtime.

Thousands of these country elevators are in the one-crop high-risk areas of grain production, where volume of farm production and marketing has wide variations.

May I interlard here by saying that I think you will find that 50 percent of all country elevators are located in 9 Midwestern States,

[1] Cotton compressing in Tennessee and U. S., Agricultural Experiment Station, University of Tennessee, April 1, 1938.

and those Midwestern States are commonly States of high-risk production on some profits.

While the elevator owner may be able in a year of high production to pay wages more comparable to industrial wages, a year of low-crop production in his community may make it unprofitable for him even to keep his elevator open. Wages in these elevators now are probably at their highest levels, mainly because the past 3 or 4 years, fortunately for our country, have been successive years of record grain production. We have never before had such years of volume of grain production in succession, due to weather factors. But in many of our grain-surplus producing areas we must assume from the weather records of many decades that there will return occasional years of low to very low grain production.

In most of these elevators the employees have been retained through the years of subnormal crop production as well as through the good years; because the functioning of the elevator is very important even when farmers have only a very small crop to market.

STATEMENT OF SAMUEL FRASER, SECRETARY, INTERNATIONAL APPLE ASSOCIATION

They have a normal crop, about 400 bushels to an acre, and they have that set of figures on which they are operating, 280 of labor, or 1.2 hours of labor per box of apples, at 80 cents an hour. They have $1 of labor right there in that box.

In 1914, the labor relationship to cost of production was about 38 percent. Today the amount of labor in the production in 56 percent.

We are on a basis of rising costs of labor, because all of our work with applies is on a hand-labor basis. We cannot do mechanized production as we can with rice where we can broadcast and flood, and then put a combine in and do it mechanically, or as we might do with peanuts or other crops.

The fruit and vegetable industry is in a critical condition if you start to arbitrarily fix the rates, and you cannot possible fix the price which they are going to receive.

Now, in New York, the common charge for labor in growing an acre of apples is 140 hours of which 50 hours is up to harvest, 37 for harvesting, 37 for packing, and 14 for the hauling and other incidentals of getting it on the car.

It takes as many hours to harvest as it does to pick.

This proposal is to split that job right there and put the packing under the wage scales provided in this bill. The picking will be going on at the same time, and of necessity, you must pay at least the same wage, and the picking and the packing and the movement to market constitutes over 66 percent of the total labor cost of growing of applies in a State like New York.

What are we going to do when you kite that cost? We are going to sell, in all probability at from $1.60 to $2.30 a box delivery New York market when conditions drop to the 1912–29 level. These are the prices received in New York during that period.

To us it is unthinkable and impossible to fix a wage scale when the returns are floating.

STATEMENT OF CHARLES W. HOLMAN, SECRETARY, NATIONAL COOPERATIVE MILK PRODUCERS FEDERATION

The location of dairy industries in small towns gives access to laborers whose cost of living is the lowest in the country. It is for this reason that conformance with a minimum wage standard would work an undue hardship on plants located in an "area of production." The minimum wage designed to give equal standards of living to urban and rural workers would necessarily be less for the latter than for the former.

A further problem in establishing minimum wages is the proximity of the dairy plants to the farms, the largest economic area of self-employment in the Nation. Agriculture cannot afford the proposed scale of minimum wages for its employees, even at wartime prices. Many farmers would prefer to work for the minimum industrial wage if the opportunity were afforded. They might even prefer to become self-employed as operators of small creameries or cheese factories and accept a labor return less than the wage which they would be compelled by minimum-wage regulations to pay to such hired help as would be required. The absurdity of a smaller return for a proprietor than for his helper is apparent. Such conditions could be avoided by providing for the "area of production" exemption.

That the above contrast between self-employed and hired workers in the dairy industry is not unrealistic is shown by census data on the average size of butter and cheese establishments. Creameries in 1939 employed an average of only five workers per establishments. Cheese plants employed only one and nine-tenths wage earners per establishment. A study of Wisconsin creameries showed that nearly half of the creameries were less than one-fourth the size of the larger creameries. There would be one- and two-man plants. They handled one-seventh of the total milk received by creameries. Small creameries, being willing and able to operate at a lower labor cost than those who would be required to pay minimum wages would tend to increase in numbers. These creameries, however, are generally inefficient by over-all standards.

Hence a shift of butter production to such plants would inevitably mean less money returned to producers for milk and cream. The situation with respect to cheese factories is even more acute, with 98 percent of ths Wisconsin plants handling less than 5,000,000 pounds of milk annually and only two-tenths of 1 percent handling more than 10,000,000 pounds. Where the partnership is used, even larger plants could legally escape the law.

The existence of such opportunities for honest evasion of minimum-wage regulations would work great hardships on the generally more efficient dairy plants engaged in processing the same commodities. Since dairy plants generally are located in an area of production conforming to our proposed definition, exemption of plants in such area would relieve this problem.

Because of the factors enumerated above—location of dairy plants in low-cost-of-living areas, proximity to population groups engaged in low-paid self-employment, and significant volume of self-employment—the average hourly earnings in the butter industry, for example, are the lowest of any of 13 food groups for which hourly earnings are reported by the Bureau of Labor Statistics.

In 1944 production workers in the butter industry received annual earnings, average hourly, of 70.9 cents. The next lowest average hourly wage was in the confectionery industry, in which the average wage was 72.3 cents. The average for all food industries was 84.9 cents, which exceeded earnings in the condensed- and evaporated-milk industry of 73.7 cents, and in the ice cream industry of 79.4 cents per hour, which exceeded the earnings in the canning and preserving industry by 2 cents per hour, but was 12.3 cents per hour below the average of all food industries. If wages of workers in the butter industry had been raised to the average level of all industries, which would have been substantially the effect of an applicable minimum-wage regulation at that time, the cost of processing butter would have been increased about 6½ percent.

Since butter already returns to producers the lowest average price per pound of butterfat of any of the dairy products, the effect of applying minimum-wage regulations would be to take money from the pockets of the lowest-income group of dairy farmers, either directly through lower price or indirectly through a curtailed market or both.

It should be remembered, and I cannot emphasize this fact too highly, that income which farmer members of a cooperative receive comes from the prices which the cooperative is able to obtain for them. That is, the members. The greater the cost of operation, the lower the producer's income.

Mr. WILEY. Mr. President, I have in my hand a letter which was given to me today. I had not seen it before, but I understand every Member of the Senate has received a letter from the National Cooperative Milk Producers' Federation, a copy of which I hold in my hand. This letter sustains the position I have taken in relation to the amendment which proposes to change the law so that the Secretary of Agriculture will have the authority to act. The letter is personally signed by the friend of all farmer-Senators, if you please, the farm bloc, Charles W. Holman. I ask that this letter be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. TAYLOR in the chair). Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE NATIONAL COOPERATIVE
MILK PRODUCERS FEDERATION,
Washington, D. C., March 26, 1946.

To All Members of the Senate.

DEAR SENATORS: The National Cooperative Milk Producers Federation has previously written you endorsing the Ellender-Ball amendments offered to the committee bill, S. 1349, to amend the Fair Labor Standards Act. We wish to call your particular attention to the necessity for retaining the provisions in the existing law exempting employees in agricultural processing plants from the minimum-wage and maximum-hour provisions of the Fair Labor Standards Act. Unless these exemptions now contained in section 7 (c) and 13 (a) (10) are retained, we feel that we must oppose passage of the bill (S. 1349). These sections have been recognized as necessary to the welfare of agriculture and the country as a whole from the time this legislation was first considered by Congress in 1938.

Every person familiar with rural America realizes that living costs are considerably lower in rural areas, where the great majority of plants handling farm products are located, than they are in large urban centers. They also know that to apply a national minimum-wage provision to a plant located within an "area of production" having rural operating costs will disrupt the entire economy of the rural area. It affects not only that plant but directly affects wage rates of the employees of, and the labor incomes of, the butcher, baker, grocer, hardwareman, banker, and town officers, as well as those of the farmer and his help in the surrounding area. Processing plants located in urban and high-wage areas will not be affected by the law to any extent because they generally have collective bargaining and pay the competitive urban rates in order to secure employees.

Every increase in production cost between the farmer and the consumer must of necessity be reflected as decreased price to the producer, with resultant decrease in production or as increased price to the consumer, with resultant decrease in consumption. To cite only one example of penalizing the farmer to the point that he cannot longer supply necessary food to the city dweller, we call your attention to the decline in milk production from 122,500,000,000 pounds in 1945 to an estimated production of one hundred and

fourteen to one hundred and fifteen billion pounds in 1946, according to the Secretary of Agriculture. The future holds little encouragement for increased farm production; war workers are not returning to the farm, and selective service in most areas is taking farm boys much more rapidly than ex-servicemen are returning. Requiring urban wages to be paid employees in plants within the rural area of production will cause more dissatisfaction among the small remaining labor force on farms and will, through decreased returns to the producer, force him to pay less to his own help if he expects to stay in business. With the world looking to American agriculture for sufficient food to prevent starvation, we cannot afford to devise additional obstacles to be placed in the path of the producer.

We have previously pointed out that the Administrator could promulgate with facility a valid definition of the term "area of production" if he bent his efforts toward an attempt to define it as a geographic area from which the raw materials for processing are customarily obtained. We believe that the Secretary of Agriculture could define the term properly if given the opportunity. Congress, we believe, did not intend to freeze wage income in rural areas at the same level as in high-cost-of-living urban areas.

We again call your attention to the necessity for retaining the exemption from the overtime provisions now granted to plants whose employees are engaged in the first processing of agricultural products. In addition to the very sizable peak seasonal variation in production of agricultural products, there are significant fluctuations of receipts at many times during the year. It is therefore impossible for such plants to adhere strictly to a 40-hour week in handling highly perishable products, even though they would be granted a 14-week seasonal exemption. Plant break-down, impassable roads, and similar occurrences necessitate working additional hours with no compensating opportunity for reduction of time on other days during the week. Those plants which guarantee 48 hours' pay to their employees throughout the year would also find themselves forced to pay time and one-half for the additional hours over the 40 in case they actually worked that time. This would cause serious hardship to many plants operating at present costs on the minimum volume necessary to maintain the operations. The result would be suspension of operations or still further centralization of processing capital and labor.

For the reasons outlined, we ask that you lend your efforts toward having these sections referred to retained in the law.

Sincerely yours,

CHARLES W. HOLMAN,
Secretary.

Mr. WILEY. Mr. President, I also have a letter signed by Edwin A. O'Neal, president of the Farm Bureau Federation. I wish to read just one paragraph from the letter. He says:

Some difficulties have been experienced in the past in defining the term "area of production," but these difficulties have been due mainly to the lack of knowledge of agriculture on the part of responsible officials of the Wage and Hour Administration, and to the tendency of the Wage and Hour Administration, through strained interpretations of the act, to bring about the largest coverage of workers under the act, instead of trying to find a practical, sensible, and workable definition of the term "area of production." For this reason we strongly favor an amendment to the act designating the Secretary of Agriculture instead of the Wage and Hour Administrator to define the term "area of production." It is vitally important that this be done by persons who are thoroughly familiar with agriculture and the conditions surrounding the production, processing, and marketing of agricultural commodities.

I ask that this entire letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 26, 1946.

To All Members of the United States Senate:

I am writing to convey to you the position of the American Farm Bureau Federation relative to various pending proposals to amend the Fair Labor Standards Act.

We are strongly opposed to S. 1349, as reported by the Senate Committee on Education and Labor. We believe it is unsound and unwise to continue by statutory enactment to increase the minimum-wage rates without relation to productivity or changes in the cost of living.

With respect to minimum-wage rates, our board of directors, at its meeting on March 6, 7, and 8, 1946, adopted the following resolution:

"We realize that real wages are inevitably dependent upon full production. Dollar wages are not the measure of standards. The real question is what will wages buy.

"Agriculture can only prosper when labor is fully engaged in productive work. Productive work can only continue if over-all income payments arising from that production are sufficient to distribute the production.

"In a free economy we can see that fixed minimum wages might result in unemployment, should the time come when agricultural and other free prices have fallen to an unbalanced position.

"In the light of this fact we believe it is in the true interests of both labor and agriculture, as well as the rest of the economy, to peg minimum wages to the consumer price index. We authorize our official representative to support minimum wages at 55 cents per hour at this time, with changes made annually to conform to the Bureau of Labor Statistics on the consumer price index.

"Without a fluctuating wage scale we are definitely opposed to an increase in the minimum wage. We oppose any basic changes in the existing minimum wage law other than those dealing directly with the minimum wage rate."

We therefore urge that S. 1349 be amended so as to provide a statutory rate of 55 cents per hour, and to include a requirement in the law to adjust the minimum wage rate annually to conform to changes in the BLS cost-of-living index.

We are also strongly opposed to the provisions of S. 1349 which eliminate entirely the exemption of agricultural labor engaged in first processing and handling in the area of production, which is now contained in existing law. These exemptions were included by Congress in the original act as a result of careful investigation and long consideration. The same reasons which led Congress to provide these exemptions still apply. We therefore strongly oppose their elimination.

Some difficulties have been experienced in the past in defining the term "area of production," but these difficulties have been due mainly to the lack of knowledge of agriculture on the part of responsible officials of the Wage and Hour Administration, and to the tendency of the Wage and Hour Administration, through strained interpretations of the act, to bring about the largest coverage of workers under the act, instead of trying to find a practical, sensible, and workable definition of the term "area of production." For this reason we strongly favor an amendment to the act designating the Secretary of Agriculture instead of the Wage and Hour Administrator to define the term "area of production." It is vitally important that this be done by persons who are thoroughly familiar with agriculture and the conditions surrounding the production, processing, and marketing of agricultural commodities.

Unless the foregoing recommendations are embodied in 1349 we strongly oppose the enactment of such legislation.

Sincerely yours,

EDW. A. O'NEAL,
President.

Mr. WILEY. Mr. President, I also have a letter signed by John H. Davis, executive secretary of the National Council of Farmer Cooperatives, dated March 27, 1946. Mr. Davis sustains the position taken by the amendment, and he says:

If the Department of Labor is unable to define "area of production" as required in section 13 (a) (10) of the present law in terms of rural and urban areas, we believe the Department of Agriculture has the information and experience to draft a workable definition.

I ask that this letter be incorporated in full in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF
FARMER COOPERATIVES,
Washington, D. C., March 27, 1946.

To Members of the United States Senate.

GENTLEMEN: We again strongly urge that sections 7 (c) and 13 (a) (10) be retained in the Fair Labor Standards Act.

To require national wage standards to apply alike to plants handling large volume of processing in high-wage urban areas and to plants handling minimum volume in low-cost rural areas, we believe, will result in centralization in urban areas or abandonment of present operations in rural areas in many cases.

If the Department of Labor is unable to define "area of production" as required in section 13 (a) (10) of the present law in terms of rural and urban areas, we believe the Department of Agriculture has the information and experience to draft a workable definition.

Primary processing plants in rural areas are subject to widely fluctuating operations throughout the year due to weather and transportation as well as other seasonal factors. Small plants operating on minimum volumes cannot restrict the handling of perishables to straight 5-day or 40-hour weeks, nor afford to pay overtime for normal operations.

We respectfully urge that these two provisions be retained in the law if the Congress deems it necessary at this time to revise the Fair Labor Standards Act.

Sincerely,

JOHN H. DAVIS,
Executive Secretary.

Mr. WILEY. I have here also, Mr. President, a letter from the National Cooperative Milk Producers Federation under date of March 13, 1946, signed by Charles W. Holman. He specifically sets forth the position of the Cooperative Milk Producers Federation. I ask that this letter be incorporated in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE NATIONAL COOPERATIVE
MILK PRODUCERS FEDERATION,
Washington, D. C., March 13, 1946.

To All Members of the Senate:

DEAR SENATORS: The National Cooperative Milk Producers Federation endorses the Ellender-Ball amendment offered to the committee bill, S. 1349, to amend the Fair Labor Standards Act. We cannot support the committee bill unamended.

The perishable nature of dairy products, the skilled-labor force required, daily and seasonal fluctuations of supply, and the rural environment of most dairy plants all necessitate a flexibility in maximum hours and minimum wages which the rigid formula of the committee bill does not permit. In according an exemption from maximum hours in the first processing of dairy products and from both wage and hour provisions in the case of employees within the area of production, the present law recognizes this need. The Ellender-Ball amendment retains these provisions which the committee bill removes.

Daily and seasonal changes in milk receipts require a fluctuating workweek. Extreme seasonal variations in supply cannot practicably be dealt with by hiring and firing skilled workers to comply with a 40-hour week.

Urban wage minimums cannot be met by agriculture. If applied to the country town dairy plant, they will pull workers off farms and further intensify farm production and labor difficulties. By raising costs in the plant, they will reduce the return to producers. The same may be said of compulsory time and a half.

The committee bill hour exemptions do not cover the length of the flush season, are merely a matter of administrative grace, and do not touch the problem of wage minimums and daily fluctuations of supply. In view of the greatest dairy production decline in history, we oppose any measure which seeks to bolster one income group at the expense of dairy and other farm incomes already too low to maintain production.

Sincerely yours,

CHARLES W. HOLMAN,
Secretary.

Mr. WILEY. Mr. President, a few more Senators have appeared after having had their lunch, and I wish to restate briefly what the amendment proposes. It provides that "the act is amended by striking from the phrase 'as defined by the Administrator' the word 'Administrator' and inserting in lieu thereof the words 'Secretary of Agriculture.'"

In other words, this amendment, which is endorsed by all the agricultural leaders of America, simply says to the Congress of the United States, in substance, "The Administrator has not got it on the ball, he does not comprehend the picture. We are asking that the man who understands agriculture, whom the President has selected and the Senate has confirmed as having knowledge of agriculture, be placed in a position definitely to determine the meaning of this phrase."

Mr. President, it seems to me that there should be no hesitancy on the part of any Senator in voting for the amendment. I ask for a vote.

Mr. FULBRIGHT. Mr. President, I came in a moment late. I do not know whether the Senator from Wisconsin had any letters from the cotton producers or not.

Mr. WILEY. Yes. I have placed them in the RECORD, and they are entirely in accord with the intent and purpose of the amendment.

Mr. FULBRIGHT. I knew they were. I merely wanted to be sure the letters were in.

Mr. WILEY. I am very happy to give the Senator the information.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. WILEY] to the Ellender-Ball amendment as amended.

Mr. TUNNELL. Mr. President, as I understand the amendment of the Senator, he intends to leave entirely to the Secretary of Agriculture the determination of who should be covered in certain activities, that is, the Secretary of Agriculture is to have power which I have been hearing so often that Congress itself should exercise. All questions as to who are covered and who are not covered are to be left to the Secretary of Agriculture.

Mr. WILEY. I understand this is the situation: The statute at present leaves it in the hands of the Administrator to determine "area of production," and his inaction, his failure to act, his almost mal-action, has so resulted that all those connected with agriculture feel that in the interest of getting production, in the interest of what is necessary for the public welfare, this duty under the statute should be transferred from the Administrator to the Secretary of Agriculture.

Mr. TUNNELL. Mr. President, I do not know any reason why Congress cannot do it. I think it is a very peculiar attitude the Senator takes, that merely because the Administrator has not pleased someone in the Senate we should take the power away from him and give it to somebody else.

Mr. WILEY. The Senator is entirely wrong about it pleasing me. It is not a question of pleasing me, it is a question of giving a square deal to 23,000,000 people in this country.

Mr. TUNNELL. As to whether it is a square deal or not is something about which people would disagree. The Senator thinks that there has not been a square deal. I do not know what he is talking about at all, and I am not going to ask him. The point is that he wants to say that it is not a square deal because it has not pleased him.

Mr. WILEY. May I interrupt the Senator?

Mr. TUNNELL. I think so; the Senator has done it before.

Mr. WILEY. The Senator refers to it as pleasing to me.

Mr. TUNNELL. The Senator is the one talking.

Mr. WILEY. I am surprised at the Senator. He must be a little bit deaf either in one ear or both. I said 23,000,000 farmers are displeased about the inaction of the Administration.

Mr. TUNNELL. I know the Senator said so, but I do not know that that makes it true that 23,000,000 farmers are displeased.

Mr. WILEY. Again I say, as a good lawyer, the Senator should at least look at the proof, and the mere fact that he sits on the other side of the aisle and I sit on this side does not call for such a statement as the one he has made. I submitted written confirmation of the officers of every farm organization in America except the Farmers' Union.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. AIKEN. Did the Senator have a letter from the National Grange?

Mr. TUNNELL. Mr. President, I suggest the Senator from Wisconsin has not the floor. I have the floor.

The PRESIDING OFFICER. The Senator from Delaware has the floor. Does the Senator yield to the Senator from Vermont?

Mr. TUNNELL. I yield.

Mr. AIKEN. I asked for the position of the National Grange. I am not sure whether it has the largest membership of any farm organization or not.

Mr. WILEY. If the Senator will permit me, I think I have already explained that this matter was thrown in my lap about 11:45 o'clock this morning. The Senator from Ohio [Mr. TAFT] was to have offered the amendment.

Mr. AIKEN. The Senator from Wisconsin made the statement that he had letters from every large farm organization.

Mr. WILEY. Let me explain. I think the representative of the Grange came into my office and I think he gave me a letter. I grabbed the whole pile and came over to the Senate. Let me examine the letters. I might in the meanwhile ask the distinguished Senator from Vermont if he is against the amendment.

Mr. AIKEN. Absolutely.

Mr. TUNNELL. Mr. President, I understand from what the Senator from Wisconsin says these statements are coming from his lap. I thought that was where they must be coming from. [Laughter.]

Mr. WILEY. I did not hear the Senator's brilliant remark, but it sounded rather nasty. [Laughter.]

Mr. TUNNELL. We have heard a good many sounds coming from the other side this afternoon. I do not know whether they were understood or not. We have not been able to get just what they do mean.

I do not desire to interrupt the Senator from Vermont in his question——

Mr. AIKEN. No; I am waiting to hear the Senator from Wisconsin read a letter from the Grange.

Mr. TUNNELL. Does he claim to have one?

Mr. WILEY. Does the Senator wish to wait a little longer?

Mr. AIKEN. I do not want to wait too long. I will say that I think the Grange is not insisting on the "area of production" amendment.

Mr. WILEY. To my recollection, it is. I am glad to say the Senator from Nebraska [Mr. WHERRY] has just confirmed my statement. He just now told me that someone dropped into his office and said the Grange was in favor of it. But let us get it from the letter itself. Let us act on the amendment on the basis of its merits.

Mr. WHERRY. Mr. President, will the Senator from Delaware yield to me?

Mr. TUNNELL. I yield.

Mr. WHERRY. I do not know that I can add anything to the colloquy which is taking place except to say that a representative of the Grange, Mr. Ogg, was in my office this morning and stated that the Senator from Wisconsin [Mr. WILEY] would present an amendment which would direct the Secretary of Agriculture to name the director of the area of production program. And he said he would appreciate it if some of us who were interested would support the amendment. He did not show the amendment to me, and I did not go into the matter in detail. I said when the amendment came up for consideration on the floor we would consider it on its merits. I am quite sure that the amendment now under discussion is the one to which the representative of the Grange referred.

Mr. AIKEN. Mr. President, will the Senator from Delaware again yield to me?

Mr. TUNNELL. I yield.

Mr. AIKEN. I have asked the Senator to yield to me so that I may suggest that the Senators from Wisconsin and Nebraska, both great farm States, check a little bit on their farm organizations.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. AIKEN. I have the floor, Mr. President, by reason of the fact that the Senator from Delaware yielded to me.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. AIKEN. And he yielded to me. If the Senators from Wisconsin and Nebraska will do that——

Mr. WHERRY. Mr. President, a parliamentary inquiry.

Mr. AIKEN. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Nebraska will state his parliamentary inquiry.

Mr. WHERRY. Who has the floor at this time?

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. AIKEN. And the Senator yielded to me.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield; and if so, to whom?

Mr. TUNNELL. I yield——

Mr. WHERRY. I thank the Senator.

Mr. AIKEN. No, Mr. President, the Senator from Delaware has yielded to me.

Mr. WHERRY. He just yielded to me.

The PRESIDING OFFICER. The Chair is in doubt. To whom does the Senator from Delaware yield?

Mr. TUNNELL. I yielded to the Senator from Vermont. If the Senator from Vermont is through——

Mr. AIKEN. No, I am not, Mr. President. I simply want to tell the Senator from Nebraska that Mr. Ogg, whom the Senator said called on him in behalf of the Grange, has no connection whatever with the Grange, but is a representative of the American Farm Bureau Federation.

Mr. WHERRY. Mr. President, will the Senator now yield?

Mr. TUNNELL. I yield.

Mr. WHERRY. I think the distinguished Senator from Vermont is probably more familiar with all the farm organizations of the country than any other Member of the United States Senate, and I stand corrected, if he says Mr. Ogg does not represent the Grange.

Mr. AIKEN. He does not represent the Grange.

Mr. WHERRY. But I should like to say to the distinguished Senator from Vermont, that the Senator from Nebraska does not have to have the Farm Bureau Federation tell him what he should do when voting in the Senate. I am going to consider the amendment on its merits.

Mr. AIKEN. Mr. President, I am not inferring that anyone was telling the Senator from Nebraska what to do. I hope no one can tell any Senator on this floor what to do. I do not think anyone can. But I do know that there is a great deal of pressure being exerted by special interests outside the Senate on Members of the Senate to get things done for them in the name of the farmer. They try to ride on the farmers' coattails all the time. There are different kinds of farmers. There are the Wall Street farmers and there are the farmers who work in the dirt with their hands. We have both kinds all around here. When the special interests of this country want to put something over they always ask for it in the name of the farmer or the small businessman or in anyone's name except in their own, and I think it is well for every Member of the Senate to be able to distinguish between the representatives of these different groups.

Mr. WILEY. Mr. President, will the Senator from Delaware yield?

Mr. TUNNELL. I yield to the Senator from Wisconsin.

Mr. WILEY. It has been called to my attention that yesterday there was placed in the RECORD a letter signed by Fred Bailey, legislative counsel for the National Grange, dealing with this very subject, and I think I placed the same letter into the RECORD today. I shall read it so that the Senator from Vermont may realize that even he is not always omniscient in matters affecting the farming industry. The Senator talks about influence being exerted. What does the Senator know about the influence being exerted by the PAC? What does the Senator know about the PAC labor leaders who are raising $6,000,000 to determine the election this year? I will tell the Senate of an incident which happened several months ago in my office. A group came to my office——

Mr. AIKEN. Does the Senator infer by that——

Mr. WILEY. Mr. President, I have the floor. Let me say a few words. A group of individuals came to my office, headed by the heads of the PAC. They came from Milwaukee, and brought into my office a sheet on which were enumerated 11 or 12 bills. They said, "We want you to vote for those bills." I turned to the leader of the group and said, "Have you seen those bills?" He said, "No." I said, "Have you read those bills?" He said, "No." I said, "Well, are you not in a hell of a position to come and tell a Senator to vote for something you do not know about; when you yourself do not know what is contained in the bills?" I said, "Is it not a fine thing that 17 of you should come down here to tell a Senator what to do when these bills are still in committee? You know a bill may go into a committee as a dove and come out looking like a hawk. These bills are not born yet."

I have told the story of how the amendment we are discussing happened to be offered on the floor of the Senate today. The Senator from Ohio [Mr. TAFT] had to leave town. We are asking for the adoption of the amendment on its merits. I do not think the insinuation should be made that a Senator is influenced when he takes the floor and asks for the adoption of an amendment which is of interest to 23,000,000 farmers, and means added production of foodstuffs. I am going to read to the Senate what the Grange has said on this subject. I read from page 3007 of the CONGRESSIONAL RECORD of April 3, as follows:

Farmers are watching with great concern congressional consideration of S. 1349—

Bear in mind, Senators, this is signed by Fred Bailey, legislative counsel of the National Grange—

the bill to amend the Fair Labor Standards Act. That interest prompts the National Grange to state briefly the prevailing view of our more than 750,000 members.

We are opposed to the bill in its present form for the reasons given in testimony before the House Committee on Labor on August 23, 1945. We urged then that the bill be amended to provide for a minimum of 55 cents an hour and that the minimum be tied to the Bureau of Labor cost-of-living index, moving up or down with that index.

The committee draft of S. 1349 retains the exemption for farm workers, as it should, but largely nullifies that exemption by deleting sections 7 (c) and 13 (a) (10), which give similar exemptions to first processing plants located in areas competing directly with farmers for labor.

The National Grange urges that you give careful consideration to retaining sections 7 (c) and 13 (a) (10) in the Fair Labor Standards Act. We base that request on the following facts:

1. Removal of exemption for agricultural processing plants would upset the competitive wage relationship existing between rural and urban workers.

2. Farm wage rates are closely competitive with those of processing plants and other local employers.

3. Inclusion of agricultural plant, through elimination of exemptions, would raise farm produce costs and result either in lower net return to producers or higher prices to consumers.

4. During any depression period many of these plants, now operating on a small margin and with low reserves, would be forced out of business by a high fixed wage scale.

We believe in the principles of an adequate wage scale, but contend that any attempt to hold wages rigid would adversely affect our entire economy. Prices of agricultural products fluctuate more widely than do prices of industrial products.

Senators, listen to this:

The administrator of the act has objected to defining the "area of production." We suggest that the Congress delegate authority for making that definition to the Secretary of Agriculture.

Now, Mr. President, who was right? Why all this fuss? The Senator from Vermont is supposed to know everything

about the Grange; but here in the CONGRESSIONAL RECORD is the very letter itself indicating the position of the Grange.

Mr. President, I want to speak a little bit, now that I have the floor.

Mr. TUNNELL. Mr. President——

Mr. WILEY. Mr. President, I have the floor, have I not? The Senator from Delaware yielded to me.

Mr. TUNNELL. I yielded to the Senator, but I did not know he would occupy the floor so long. He has kept it so long that now he seems to think he has the floor by right of possession.

Mr. WILEY. I suggest that the Senator from Delaware sit down and learn the rules of the Senate, and be a little courteous.

Mr. TUNNELL. Do I have the floor, Mr. President?

Mr. WILEY. Did not the Senator yield to me, and have I not been talking?

The PRESIDING OFFICER. The Senator from Delaware yielded to the Senator from Wisconsin, and the Senator from Wisconsin has been talking, but the Chair is not certain whether the Senator from Delaware yielded to the Senator from Wisconsin permanently. It was not the Chair's understanding that he did.

Mr. TUNNELL. I have been standing here waiting to resume.

Mr. WILEY. Mr. President, who has the floor?

The PRESIDING OFFICER. The Chair rules that the Senator from Delaware has the floor.

Mr. WILEY. I appeal from the ruling of the Chair. Well, it is suggested that I do not do so. Very well.

The PRESIDING OFFICER. The question is: Shall the opinion of the Chair stand as the judgment of the Senate? [Putting the question.] The "ayes" have it.

The Senator from Delaware is recognized.

Mr. TUNNELL. Mr. President, I shall not detain the Senate——

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. AIKEN. I simply wanted to inform the Chair that I voted the wrong way on that question. I voted "nay."

Mr. TUNNELL. Mr. President, I shall not attempt to answer any of the personalities or suggestions that have been projected into the debate by the Senator from Wisconsin. According to my understanding, the amendment suggested by the Senator from Wisconsin has behind it, as I recall his statement, only 23,000,000, or some such number as that; but, finally, as I understand his statement, the number behind it is represented by a lot of papers dumped in his lap this morning. I do not know whether he read them or not, and I was not able to find out. The amendment, however, would include agricultural employees and employees of grain elevators, as well as employees of canneries and employees of packing houses. It would include workers in agricultural dairy products, food, and kindred products.

This amendment is offered without any consideration by a committee, and in an informal manner, with the suggestion of lack of knowledge which has been made by the Senator himself, in saying that it was dumped in his lap. I do not know where he seems to think the argument is coming from. I believe that the Senate is entitled to give greater consideration to an amendment of this importance than we are now asked to give. I hope the amendment will be defeated.

Mr. McMAHON. Mr. President, will the Senator yield for a question?

Mr. TUNNELL. I yield.

Mr. McMAHON. Is it the meaning of this amendment that several million workers who now have the benefit of protection of the Fair Labor Standards Act might have such protection taken away from them?

Mr. TUNNELL. If the Secretary of Agriculture at the time happens to take that notion, as I understand.

Mr. McMAHON. If the proponents of the amendment did not think that the Secretary of Agriculture would do it, or might in the future do it, they would not propose it, would they?

Mr. TUNNELL. Undoubtedly that is true.

Mr. McMAHON. So really it is designed to eliminate from the present law the protection now given to several million agricultural processing workers.

Mr. TUNNELL. Undoubtedly; and as I believe, without proper consideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. WILEY].

Mr. AIKEN. Mr. President, I do not believe that a transfer of authority to define "area of production" from the Department of Labor to the Department of Agriculture would result in making the minimum-wage law work any better. In fact, I think it would result in a great deal more confusion. So far it has not been possible for the Department of Labor to draft a valid definition of "area of production" which is workable; and I fail to see how it would be any more feasible for the Secretary of Agriculture to do so. The Supreme Court has declared invalid an attempt by the Administrator to avoid competitive discriminations in defining the term on the basis of the number of employees in an establishment. This definition was the fourth that was tried and found wanting. To write separate definitions for each of the 300 or so agricultural and horticultural commodities produced in this country would be an insurmountable administrative task either for the Secretary of Agriculture or the Secretary of Labor. The production of most of the commodities is widely dispersed, and such commodities as poultry, eggs, milk, and many varieties of vegetables are produced in virtually every county in the country. Production is often concentrated in regions immediately adjacent to industrial centers and large cities. How can any administrator accurately and legally define an area of production of agricultural products which may be raised in the heart of a great city?

Previous to the issuance of the definition which was declared invalid by the Supreme Court, special hearings were held for particular groups of commodities. Over 200 representatives appeared at the formal hearings, and many more at informal conferences held in outlying regions easily accessible to groups in the industries concerned. Twenty-four volumes of evidence containing over 4,000 pages were taken at the formal hearings alone, in addition to hundreds of exhibits submitted. Special reports and studies were made by the age and hour division. Following the Supreme Court decision, five additional studies were made by the division, six hearings were held, and additional volumes of testimony taken. It was not for lack of study and investigation that the administrator concluded that the concept of area of production is unworkable unless severe competitive discriminations are created.

The Secretary of Labor asked us to define "area of production," and we must admit that we cannot do it. Yet we think we can direct the Secretary of Agriculture to do what the Congress must admit it is unable to do.

In the main the industries affected, or a substantial portion of these industries, are industrial in character. A canning plant has production lines and machinery like any electrical appliance plant. Most of the workers in canning plants are employed in plants with 50 to 200 workers during the active season, and one-quarter of the plants have more than 200 employees.

I understand that a great many of those plants are located in the cities, and that they use surplus and half-spoiled fruit which is sent to the market and is found to be unsaleable. Would New York City be called an "area of production" and exempted? Citrus packing plants also contain long lines of conveyor belts, expensive washing machinery, and production lines. About three-fourths of the workers are employed in plants with 100 to 500 workers.

About one-quarter of the cotton compresses employ 40 to 50 workers, one-third from 50 to 100 workers, and one-fifth over 100. Green leaf tobacco dealers on noncigar types of tobacco employ an average of 153 workers per establishment, with the State average for North Carolina 227 employees per establishment. Those cannot be called small farm operations, when they have several hundred employees.

The trend in processing and handling of agricultural commodities is toward greater industrialization and greater use of machinery, and it is inevitable that that trend will continue. Plants are increasing in size and scope. The dairy industry, for example, is constantly installing a greater number of integrated plants that process a large variety of dairy products starting with whole milk and utilizing all byproducts. Many of such plants will be found close to large centers of population, if not actually in the centers of population. Cotton gins are decreasing in number, and those that remain are larger in size. If the ginning industry follows the recommendations of the Department of Agriculture, the plants will combine compressing with ginning and thus further increase in size and scope of operations.

The problem of defining area of production involves considerations outside the scope of the Department of Agriculture's functions. In its decision, the Supreme Court stated that

"Area" calls for a delimination of territory in relation to the complicated economic factors that operate between agricultural labor conditions and the labor market of enterprises concerned with agricultural commodities and more or less near their production. The phrase is the most apt designation of a zone within which economic influences may be deemed to operate and outside of which they lose their force.

In defining the term "area of production," therefore, one of the most important criteria is the labor market of the enterprises affected. Since these are industrial enterprises, the task is not within the ordinary business of the Department of Agriculture. The Department of Agriculture performs functions relating to research, education, conservation, marketing, regulatory work, and agricultural adjustment. It is not concerned, and should not be concerned, with labor other than farm labor. To add the function of administering industrial labor would be to add an entirely new task to the Department.

This proposal would place the definition of the term under the jurisdiction of one executive department, while the administration would be a duty of another department. Conflicts of interpretation between these two departments will inevitably result. Under any definition, because of the competitive discriminations created, there will be areas of uncertainty regarding the inclusion of firms and there will be requests for revision of the definition to correct grave inequalities. Questions will arise on the definitions of the operations involved, what is included in canning, what is included in handling, what is included in preparing in the raw or natural state, and what is not properly within these and other terms used. Problems will also arise on what is included and what is excluded within the area of production, however that may be defined. The Wage and Hour Division in its 7 years of experience in administering the area of production provisions of the act had a constant stream of problems and litigation regarding such interpretations. It is certain that if the administration of this function is placed in the Department of Agriculture new problems and litigation will result. These problems will be accentuated because of differences of interpretation of congressional intent, with both departments possibly having separate views.

I maintain that it is only fair for the Congress to define the area of production, and not ask either department of government to do something which we must admit we are hopelessly unable to do ourselves. The proposal to turn over to the Department of Agriculture the duty of defining the area of production would require the setting up of a section in the Department of Agriculture to deal with this problem. Since liaison will be necessary with the Wage and Hour Division and with the Solicitor of the Labor Department, this would create an added expense as well as a slowing down of the rate at which decisions can be reached. I am surprised that anyone who stands for economy can advocate measures which would necessarily result in increasing the force of any of our departments when that is unnecessary. There would be created an added expense, as well as a slowing down of the rate at which decisions are made. The Congress has been urging for years that overlapping of functions be eliminated in the executive departments, yet this proposal will extend such overlapping besides making all kinds of trouble and making the wage-hour law function less effectively than it otherwise would. Instead of charging a single agency with the duty of administering a provision of the law, it will divide that responsibility and will create still another duality of administration in a government which is already too full of overlapping jurisdictions.

No conclusive evidence has been presented to show that these processing and handling industries cannot economically move along with the other industries toward improved standards for their employees. Many plants are paying 65 cents per hour at the present time, and are making profits. Practically no industries are paying less than 45 cents an hour, even to the relatively few unskilled workers. Most union contracts in these industries provide for rates of 65 cents an hour or higher.

Mr. President, I may say that before this bill came up at all, I contacted some of the best cooperatives in my section of the country, and they informed me that they were already paying more than the minimum wage which the bill provided for, and they did not ask for exemptions because of the area of production or even the first processing. They told me that if they could get the 14 weeks' exemption to cover the flush season, the peak of production, and thus could be exempted from the overtime provisions during that period, they could get along with the rest of the bill as it had been reported from the committee.

I may also say that the agricultural organizations in my State very frequently differ with the heads of the organizations who have written the letters to the Senator from Ohio [Mr. TAFT], and which were turned over to the Senator from Wisconsin for insertion in the RECORD. I must say that at this time I, too, have to differ with the heads of those agricultural organizations on this important matter because I really believe they are wrong, and that what they propose would in the long run, instead of helping agriculture, work just the other way.

Mr. President, the grain elevators in the Northwest grain areas are currently paying more than 65 cents an hour for casual labor, and higher rates for managers and second-men. It was testified by the elevator operators that they hire by the month, but that they pay far more than the minimum hourly wage which this bill would require. The 14-week exemption from the overtime provisions would cover the period in which grain comes in so rapidly that they have to work long hours. It is only right that they should receive an exemption for such peak seasonal work.

In the canning industry, the usual minimum wage is reported to be from 45 to 50 cents an hour, but on the west coast, which contains ⅓ of the industry, a minimum of 65 cents or higher prevails. Average hourly earnings, according to the Bureau of Labor Statistics were 77 cents an hour in 1944, on the west coast. Fruit and vegetable packing house rates are upwards of 65 cents an hour in the important west coast region. Florida citrus packing plants are generally at a 50-cent minimum, while union contracts have raised the rate to 65 cents in tomato packing houses. Cotton compress establishments are currently paying 45 cents an hour for unskilled labor in unorganized plants, with skilled labor at higher rates. Compressors in California and Arizona are paying 70 cents an hour, while those in other regions are paying 55 cents an hour under union contracts. Cottonseed crushing plants have an average wage of 53 cents an hour. Mr. President, let me say further that in urging the retention of the 14-weeks' seasonal exemption, I had in mind that it would cover the large percentage of the ginners of the South, as well as the elevator men in the grain country and the milk producers' plants in the northeastern section of the United States.

To show that the dairy products industry should not be particularly concerned with a minimum wage bill, except as it puts more purchasing power in the hands of their customers, let me say that the average hourly earnings in the butter industry in 1944 were 71 cents, in the ice cream industry 79 cents, and in condensed and evaporated milk industry 74 cents. Unskilled workers in these industries in the Middle West currently receive 50 to 55 cents an hour, and in the South as low as 40 cents an hour, but the great majority of the workers are paid higher wages.

There is no reason why the workers in those industries should subsidize the consumers of the country by being forced to receive low wages. The workers are entitled to a wage that will enable them to maintain a standard of decent living.

Mr. President, I do not know of any reason why anyone should oppose placing greater purchasing power in the hands of his own best customers. I know that many people and many farmers in my section of the country are greatly concerned lest the purchasing power of the milk consumers be reduced to a point where it will seriously affect the price which the dairy farmers will receive for their milk. During the war we have seen the demand for milk go far above the ability of the farmers of the United States to produce milk. That occurred because, for the first time in their lives, millions of workers in industrial plants have had sufficient money to enable them to buy a glass of milk whenever they wanted it, and they have proved that they will buy it when they have sufficient money. Unfortunately, today this country cannot produce enough dairy products to supply the demand. We are consuming our dairy products in the form of fluid milk. It pays the farmer better, when he has a good market, to sell his dairy products in

the form of fluid milk, if he wishes to continue to sell them at the higher price. If dairy farmers were forced, through the inability of their customers to purchase, to have their milk graded as class 2 milk, to be skimmed and made into butter, their income would drop so much that it would make agriculture far less attractive as an occupation than it is today.

Mr. President, I am sure that the farmers of the United States want their customers to have sufficient purchasing power to enable them to buy the products which the farmers produce.

The PRESIDING OFFICER (Mr. HATCH in the chair). The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. WILEY] to the Ellender-Ball amendment.

Mr. MORSE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Murray
Austin	Guffey	Myers
Ball	Gurney	O'Daniel
Bankhead	Hart	O'Mahoney
Barkley	Hatch	Overton
Bilbo	Hawkes	Reed
Brewster	Hayden	Revercomb
Bridges	Hickenlooper	Russell
Briggs	Hoey	Saltonstall
Brooks	Johnson, Colo.	Shipstead
Buck	Johnston, S. C.	Smith
Bushfield	Knowland	Stanfill
Butler	La Follette	Stewart
Byrd	Langer	Taylor
Capehart	Lucas	Thomas, Okla.
Capper	McClellan	Thomas, Utah
Carville	McFarland	Tobey
Connally	McKellar	Tunnell
Cordon	McMahon	Vandenberg
Donnell	Magnuson	Walsh
Downey	Maybank	Wheeler
Eastland	Mead	Wherry
Ellender	Millikin	White
Ferguson	Mitchell	Wiley
Fulbright	Moore	Willis
Gerry	Morse	Wilson
Gossett	Murdock	Young

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. WILEY] to the Ellender-Ball amendment.

The amendment was agreed to.

TREATY BETWEEN GREAT BRITAIN AND TRANS-JORDAN

Mr. MYERS. Mr. President, I rise to bring to the attention of the Senate a matter which I believe is of great importance. It was referred to yesterday by several Senators. I am moved to this action by a deep concern for the future. We live today in an atmosphere of extreme tension in the international scene—a tension that has been electrified by many violations of the rights of peoples and of nations.

We have assumed our rightful place as a moral force in the world, as a champion of the rights of the smaller nations to an equal place at the council table, and we thereby hope to maintain the peace of the world for generations to come.

Consequently, the United States cannot twiddle its thumbs when its solemn treaty rights are flagrantly violated, nor should the State Department ignore the abrogation of a treaty by unilateral action in contempt of the Senate of the United States.

Mr. President, I refer to the treaty just concluded by His Majesty's Government and Emil Abdullah of Trans-Jordan. This treaty purports to give to the territory now known as Trans-Jordan complete independence and statehood.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. BREWSTER. I noted the reference which the Senator made to "His Majesty's government," and I am wondering if the term is sufficiently clear. I believe there are a great many majesties scattered around the world.

Mr. MYERS. Perhaps I should have said "His Britannic Majesty."

Mr. BREWSTER. Very well.

Mr. MYERS. Mr. President, on its face, it would seem that the treaty to which I have referred represented a commendable action and a great step forward. But diplomacy has many faces. Let us explore some of them for a brief moment.

The territory of Trans-Jordan, in the terms of the original mandate for Palestine, is described as the "territory lying between the Jordan and the eastern boundary of Palestine." Under article 25 of the mandate, the mandatory could "postpone or withhold the applications of articles of the mandate" from this territory but could not, unilaterally, alter the mandate itself.

Great Britain had no right under the mandate to dispose of the territory "lying between the Jordan and the eastern boundary of Palestine." And, under the Anglo-American Convention of 1924 Great Britain could not change the terms of the mandate for Palestine, including Trans-Jordan, without the consent and permission of the United States of America.

Mr. President, have we given such consent? I know of no item on the agenda of this body that has ever mentioned the matter. The separation of three-fourths of the territory of mandated Palestine and the creation of this territory as an independent state, is a unilateral action on the part of Great Britain in direct violation of her treaty with the United States.

Here is another point. Article 3 of the treaty, which is generally known as the Anglo-American Covention of 1924, provides:

> Vested American property rights in the mandated territory shall be respected and in no way impaired.

Mr. President, more than $50,000,000 of American capital is invested in Palestine. Is there any question that depriving that country of three-fourths of its territory changes the economic and agricultural prospect of the country and jeopardizes American investments? Such unilateral disregard of treaty obligations creates a dangerous precedent when one considers the present scope of American investments abroad.

Not only is this action on the part of the mandatory in violation of her treaty with the United States, but it also strikes at the Charter of the United Nations. Section 80 of that Charter, subscribed to by the mandatory and by the United States, specifically states that no change may be made in the status of mandated territories without the approval of the General Assembly of the United Nations Organization. Mr. President, can we make issue of one violation and disregard others?

In protesting the unilateral action of the mandatory in abrogating her treaty with the United States, and in violation of the United Nations Charter, I have purposely avoided discussing the violations of the rights of the Jewish people of Palestine. Mr. President, we are guardians of those rights by virtue of the Anglo-American Convention of 1924.

Who was taxed to support the Emir Abdullah and his army and his administration? It was the Jewish people of Palestine proper who have financed the bill for the rape of their rights. Is there anything comparable to this situation in the annals of the United Nations?

What we are considering here is not two distinct countries loosely allied, but a single nation watered by the River Jordan.

Mr. President, there is no more justification for this separation than for the separation of the United States into two nations, trans-Mississippi and cis-Mississippi. Aaron Burr tried to do that to our Nation and he was tried for treason.

What makes the Trans-Jordan ready for such hastily acquired liberty? It has a population of 320,000 as against the 1,700,000 in Cis-Jordan, or western Palestine. It has 2 factories with 90 workers and 2 distilleries. It has no newspaper and the highest rate of illiteracy in the world.

Only 5 percent of the 34,740 square miles of Trans-Jordan is under cultivation; only 170,000 natives are settled, non-nomadic people; only 85,000 of these are agricultural workers.

This, Mr. President, is the section of mandated Palestine deemed ready for independence, while modern, literate Cis-Jordan, the Jewish Palestine, is subject to military law, drumhead justice, and a reign of terror.

Why this haste and stealth? The British Government, which has fought all attempts at freedom, all movements for independence in the Middle East, is now discovered in the gracious role of liberator. Are there perhaps some hidden resources, mineral wealth, or oil which are involved?

In order to place the facts before the Senate, I ask leave to insert in the RECORD at this point a memorandum on Trans-Jordan submitted to the British Government and to the General Assembly of the United Nations Organization by the Hebrew Committee of National Liberation.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

> On January 17, 1946, in an address to the General Assembly of the United Nations Organization, the Right Honorable Ernest Bevin declared: "Regarding Trans-Jordan, it is the intention of His Majesty's Government in the United Kingdom to take steps in the near future for establishing this territory as a sovereign independent state and for recognizing its status as such."

This sudden and unexpected announcement was confirmed on January 23, 1946, in the House of Commons by the Prime Minister, who further stated "that His Highness the Emir Abdullah of Trans-Jordan has accepted an invitation to visit London in the near future to discuss matters connected with the establishment of Trans-Jordan's independence."

This proposal by His Majesty's Government is contrary to the spirit and the letter of the British mandate for Palestine, and likewise contrary to the conditions that have been judged to be necessary by the Permanent Mandates Commission of the League of Nations before a mandated territory can be granted its independence. Thus, this proposal constitutes unilateral termination of the British Mandate for Palestine.

BASIC FACTS

Trans-Jordan is the name recently given to an integral part of Palestine. It is recognized as such in the Palestine Mandate where it is described as "territories lying between the Jordan and the eastern boundary of Palestine." Its area of 34,740 square miles constitutes more than three-quarters of the total area of Palestine.

Its population of 320,000—as against 1,700,000 in the 10,500 square miles of western Palestine—forms 1⅔ percent of the total population of Palestine. It is composed of about 50,000 full nomads, 130,000 half nomads, and a settled population of approximately 170,000, of which about 85,000 are agricultural workers. While the Arab population of western Palestine has more than doubled since 1920, due to a greatly reduced infant mortality, improved living conditions, and a large immigration from surrounding Arab countries (including about 230,000 "illegal" immigrants), the population of Trans-Jordan has remained static in these 25 years.

Trans-Jordan is one of the most backward countries in the world in the matter of industry, education, health services, and communications. The complete industry of Trans-Jordan consists of two tobacco factories employing 90 workers, one of which is a branch of a Haifa firm, and of two arrak distilleries. Only 5 percent of Trans-Jordan is at present under cultivation. Primitive methods of irrigation and agriculture provide barely sufficient means of subsistence in what was one of the largest granaries of the ancient world.

It is estimated that Trans-Jordan has one of the highest rates of illiteracy in the world, exceeding 90 percent. In 1938–39, the number of pupils and teachers totaled 13,854, constituting 4$\frac{3}{10}$ percent of the population. Except for an English missionary paper, there is no newspaper published in the whole of Trans-Jordan. Another instance lies in the fact that of a total of 645,000 pieces of mail handled by the Trans-Jordan post office in 1938, only 427,000 were letters, post cards, and newspapers, an average of one and one-half pieces of reading matter per person per year.

Neither the land nor the Government of Trans-Jordan is self-sustaining. The report of the Palestine Royal Commission (CMD 5479) declared that the cost of developing the country "could not possibly be made from the exiguous revenues of the Trans-Jordan Government." Subsidies from the Palestine administration, derived chiefly from the taxation of the Hebrews in Palestine, are annually granted to Emir Abdullah to provide public services and finance the military establishment.

POLITICAL STATUS OF TRANS-JORDAN

Trans-Jordan was set up as a separate principality within the Palestine mandate on September 1, 1922, under article 25, which stated:

"In the territories lying between the Jordan and the eastern boundary of Palestine as ultimately determined, the mandatory shall be entitled with the consent of the council of the League of Nations, to postpone or withhold application of such provisions of this mandate as he may consider inapplicable to the existing local conditions, and to make such provision for the administration of the territories as he may consider suitable to those conditions, provided that no action shall be taken which is inconsistent with the provisions of articles 15, 16, and 18." [1]

Nevertheless, the mandatory power immediately proceeded to violate these provisions by prohibiting the immigration, settlement, and even transit of Hebrews in Trans-Jordan. It also prohibited the purchase of land by Hebrews in that territory although Emir Abdullah and the Jewish agency had actually concluded an agreement to that end. Thus the British mandatory power created the first Judenrein state in modern times—11 years before the Hitler regime.

Equally significant is the fact that under the authority "to postpone or withhold application of such provisions of this mandate as he may consider inapplicable to the existing local conditions," the mandatory eliminated all its obligations "for placing the country under such political and economic conditions as will secure the establishment of the Jewish national home."

It will be seen that while the mandate sanctioned this action, it did so only as a temporary measure, for the text of article 25 authorizes Great Britain "to postpone or withhold," but not to exclude, the application of these provisions. The French text is perhaps still more explicit; it speaks of the right "de retarder ou suspendre" the application. "Suspendre" means, without the slightest doubt, a provisional arrangement which leaves things in suspense.

The mandatory was fully aware of this distinction. In the treaty of February 28, 1928, which recognized Emir Abdullah's administration, Great Britain reserves her "international obligations in respect of that territory." One of them was the development of the country to such a degree that the extension of the national home became possible. The establishment of Trans-Jordan as an independent state would render this impossible.

LEGAL ASPECT OF PROPOSAL

The proposal of His Majesty's Government to establish Trans-Jordan as an independent state has no basis in legality. That it evades "the international obligations in respect to that territory" which Great Britain assumed in accepting the mandate and acknowledged in her treaty with Abdullah, has been pointed out above. These obligations are specifically stated in articles 2,[2] 4, 6, 7, 11, 15, 22, and 25. It definitely contradicts the intent of article 5, which states: "The mandatory shall be responsible for seeing that no Palestine territory shall be ceded or leased to, or in any way placed under the control of, the government of any foreign power."

Similarly, the proposal contravenes article 80 of the United Nations Charter, which specifically prohibits the alteration "in any manner the rights whatsoever of any states or any peoples or the terms of existing international instruments to which members of the United Nations may respectively be parties." It also contravenes the basic principles of the Charter, enunciated in the preamble and article I, which states that the people of the United Nations are determined "to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained and * * * to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character and in promoting and encouraging respect for human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion."

The proposal abrogates the internationally recognized rights of the Hebrew people in the entire territory of Palestine whose boundaries were determined by the principal Allied Powers. The report of the Palestine Royal Commission declares: "The field in which the Jewish national home was to be established was understood at the time of the Balfour Declaration, to be the whole of historic Palestine."

No responsible body representing the Hebrew people has assented to the severance of a single acre of this territory. At a time end to their martyrdom and an opportunity when more than a million Hebrews seek an to live as normal and self-respecting human beings, the action depriving them of three-quarters of their territory is an offense against justice and humanity.

Finally, this proposal cannot be validated without the assent of the Government of the United States of America. The Palestine Mandate, including the preamble, was incorporated in the "convention between the United Kingdom and the United States of America respecting the rights of the Governments of the two countries and their respective nationals in Palestine," signed on December 3, 1924. Thus the terms and obligations of the mandate became part of a separate treaty between these two Governments. Moreover, article 7 of the convention states specifically that "Nothing contained in the present convention shall be affected by any modification which may be made in the terms of the mandate, as recited above, unless such modification shall have been assented to by the United States."

QUALIFICATIONS FOR INDEPENDENCE

The proposal to grant independence to Trans-Jordan must also be considered in the light of similar requests. When the application for the independence of Iraq was considered by the Permanent Mandates Commission of the League of Nations, the Commission judged certain conditions to be necessary before a nation was qualified for independent status. These conditions, stated in the minutes of the twenty-first session of the Permanent Mandates Commission are as follows:

(a) It must have a settled government and an administration capable of maintaining the regular operation of essential government services;

(b) It must be capable of maintaining its territorial integrity and political independence;

(c) It must be able to maintain the public peace throughout the whole territory;

(d) It must have at its disposal adequate financial resources to provide regularly for normal government requirements;

(e) It must possess laws and a judicial organization which will afford equal and regular justice to all.

At present Trans-Jordan is incapable of fulfilling any and all of these conditions. It is especially lacking in the qualifications regarding financial resources upon which all the other qualifications depend.

Due to the nomadic and illiterate character of the vast majority of the population of Trans-Jordan it must be judged incapable of creating a settled government and an ad-

[1] The provisions of arts. 15, 16, and 18 emphasize that: "No discrimination of any kind shall be made between the inhabitants of Palestine on the ground of race, religion, or language. No person shall be excluded from Palestine on the sole ground of his religious belief."

[2] Stated also in recitals 2 and 3 of the preamble of the mandate.

ministration that can offer a proper and representative legislative and judicial system that will provide public peace and security for its inhabitants. Due to lack of financial resources, it is incapable of maintaining an armed force sufficiently adequate to guarantee its territorial integrity.

There is not the slightest evidence that at the present time Trans-Jordan could fulfill these conditions without entering upon treaties and agreements with other states that would virtually make it dependent upon these states. It would have to undertake commitments in foreign and domestic affairs that would make a mockery of its independence and would serve to discredit the United Nations Organization which permitted the existence of this obvious sham. The geographical position of Trans-Jordan is such that as an independent state it would be subject to pressure from other states, notably Syria, Iraq, Saudi Arabia, and western Palestine. It would be equally subject to pressure from the great powers interested in the middle east.

SOCIAL AND ECONOMIC CONSIDERATIONS

In addition to the political aspects presented above, there are the most weighty social and economic reasons against this proposal. Properly developed, the whole of Palestine can support a population of some 5,000,000 people in fruitful industry and on a high standard of living. Ample evidence of this has been furnished by Hebrew conditions of both Hebrews and Arabs. No further testimony to this effect is necessary than the statement made in the report of the Royal Commission (CMD 5479): "The general beneficent effect of Jewish immigration on Arab welfare is illustrated by the fact that the increase in the Arab population is most marked in urban areas affected by Jewish development. A comparison of the census returns in 1922 and 1931 shows that, 6 years ago, the increase percent in Haifa was 86, in Jaffa 82, in Jerusalem 37, while in purely Arab towns such as Nablus and Hebron it was only 7, and at Gaza there was a decrease of 2 percent."

This fact is even more strikingly illustrated by the stagnant population of Trans-Jordan, thousands of whose inhabitants have crossed the river illegally to partake of the benefits enjoyed by their fellow Arabs in the territory developed by the Hebrew people.

The development of Palestine involves large irrigation and electrification projects which will affect the land on both sides of the Jordan River. They are obviously projects such as no Arab state has yet instituted in any part of the world and has shown no desire to promote. King ibn-Saud has publicly declared: "My people are nomads and warriors; they do not desire to be anything else."

The independence of Trans-Jordan would operate to shut off that territory from western culture and civilization, from western scientific, economic, and social progress. It would leave that land as barren and desolate as it has been for centuries and as it has continued to be even in the last 25 years of development of the western part of Palestine. To recognize the independence of Trans-Jordan will not benefit its Arab population. On the contrary, it will doom that population to the continued misery of oriental feudalism.

Moreover, it will also serve to prolong needlessly the suffering of the Hebrew people by withholding three-quarters of the land, in which they have a claim "as of right, not on sufferance," from settlement and colonization at a time when more than a million of the Hebrew people must find a haven in Palestine or perish.

CONCLUSION

The right of Great Britain to take decisions in respect of Trans-Jordan springs from the mandate, and the mandate alone, and such decisions as are taken must, therefore, conform to what the mandate has laid down regarding the future of that territory. It is clear from the wording of the mandate that the intention is that Palestine (including "the territories lying between the Jordan and the eastern boundary of Palestine," as Trans-Jordan is therein described) should be developed in such a manner as to "secure the establishment of the Jewish national home." Insofar as Trans-Jordan is concerned, provision is made in the mandate for the mandatory, with the consent of the Council of the League of Nations, "to postpone or withhold application of such provisions of this mandate as he may consider inapplicable to existing local conditions." But there is nothing in the document to suggest that Trans-Jordan should be excluded on a permanent basis from the general obligation to develop it in the terms laid down.

On no reasonable or logical interpretation of the mandate can authority be found for action which would result in Trans-Jordan being withdrawn from the general application of its provisions.

It may be argued that with the demise of the League of Nations the mandate lapses, and Great Britain assumes power to deal with the territory concerned as she thinks fit. There is no legal precedent for such an argument. Indeed, all legal precedents tend to show precisely the reverse. The death of the owner of an estate does not confer ownership of the property on the person whom he had employed as his agent or administrator. The terms of a trust are not varied by the death of the trustor so as to give the trustee freedom of action in his dealings with the subject matter of the trust. On the contrary, the administrator or trustee becomes responsible to the successor of the owner or trustor, if any successor has been named, or, in the case of intestacy, to such persons or bodies as the law provides.

In this case the League of Nations has not died intestate. Article 77 of the United Nations Charter, which was subscribed to by virtually all the member states of the League of Nations, states expressly that the trusteeship system to be established by the United Nations shall apply to "territories now held under mandate." Furthermore, article 80 of the same document states: "Nothing in this chapter shall be construed in or of itself to alter in any manner the rights whatsoever of any states or peoples or the terms of existing international intruments to which the members of the United Nations may respectively be parties."

It follows that Great Britain, having in the past been responsible for the administration of the mandate of the League of Nations, is now equally responsible to the United Nations, and that this change in responsibility in no way alters the terms of the mandate itself.

It is incontrovertible that the proposal to separate Trans-Jordan permanently from the remainder of Palestine by granting it its independence, and thereby withdrawing it from the scope of operation of the mandate, amounts to no less than the unilateral denunciation of an international treaty by one party thereto, and as such strikes a blow at the very fundamentals of international security, and is a direct challenge to the new world order founded on the United Nations Charter.

Until the mandate has been revised under the trusteeship system of the United Nations, or until the United Nations has given express permission for the mandate to be overridden, such action as that contemplated by Great Britain can have no legal basis whatsoever.

Mr. MYERS. Mr. President, this document goes into the matter in detail. I recommend it for study by every Senator.

I call upon the Department of State to explain its lack of protest when a solemn treaty has been abrogated. I believe that the Senate should demand a full and complete explanation.

I solemnly and vehemently protest Great Britain's disregard of the rights of the people of the United States and its violation of its treaty obligations.

If the peoples of the world are to have confidence in our moral leadership and in the United Nations Organization, then they must have——

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WHERRY. Did the Senator refer to a "completed" investigation?

Mr. MYERS. No; I did not.

Mr. WHERRY. I did not mean to interrupt the Senator, but I was very much interested in what I thought I heard him state, because of the policies which are now being pursued by the State Department. I thought that possibly the Senator from Pennsylvania was in favor of investigating the State Department. I merely wish to invite his attention once again to the fact that I submitted Senate Resolution 197, the provisions of which, if brought before the Foreign Relations Committee and agreed to, would result in an investigation of the State Department and perhaps enable some of us to understand what the State Department is doing with regard to many of the controversial questions which are being brought to our attention from time to time.

Mr. MYERS. I heard the Senator from Nebraska refer to his resolution yesterday, and although I have not read it, I shall be very glad to do so and discuss his resolution with him.

Mr. WHERRY. I am sorry to interrupt the Senator, but I understood him to say something about an investigation, and I thought that was what he was referring to.

Mr. MYERS. I did refer to an investigation, and I think we should have an investigation into this particular subject. I did not say a full and complete investigation of the State Department.

Mr. WHERRY. I want the distinguished Senator to know that the provisions of my resolution will provide for the very thing he desires. I want the Senator's attention to the resolution, and I shall be very glad to have him read it and support it.

Mr. MYERS. I shall be glad to read it, and to confer with the Senator from Nebraska.

So, Mr. President, I protest Great Britain's disregard of the rights of the people of the United States in this violation of treaty obligations. If the peoples of the world are to have confidence in our moral leadership and in the United Nations Organization, then they must have evidence that we oppose, and that we will oppose, any and every violation of the right of any state or any people, it matters not how weak or small the injured nation or how great or powerful the transgressor.

Why have we allowed our treaty rights to be flouted? Why have we permitted this division and this separation of Palestine without our approval, and without the assent of the United Nations?

These are questions, Mr. President, which the Senate is entitled to have answered.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MYERS. I am glad to yield.

Mr. BREWSTER. I was very much interested in the discussion which was referred to here on the floor yesterday. It is the Senator's understanding, I gather, that Britain would have no right to take action of this character without the permission of the members of the United Nations, and particularly the United States of America, under the Coolidge convention of 1924?

Mr. MYERS. Absolutely.

Mr. BREWSTER. Has the Senator taken any steps to ascertain whether or not such permission has been even asked?

Mr. MYERS. I have not, as yet.

Mr. BREWSTER. I may say that this very serious situation was brought to the attention of the State Department by those interested, I think by the head of the Zionist group, Rabbi Silver, in January of this year, as this action was then contemplated, but, apparently, it has not resulted in any representations which have been effective, at any rate. Yesterday in a public hearing I asked Mr. Clayton, the Assistant Secretary of State, who conducts all our trade relations, regarding it, and he stated that he at any rate had had no information about it, although it had been announced in the newspapers that treaties had been made. Is that the Senator's information?

Mr. MYERS. That is my information.

Mr. BREWSTER. Has the Senator any information as to whether those treaties have been published?

Mr. MYERS. I have not.

Mr. BREWSTER. Is it the Senator's understanding that Britain simply held the entire territory of Palestine, including Trans-Jordan, as a trustee, under the mandate of the League of Nations?

Mr. MYERS. Definitely.

Mr. BREWSTER. To which the United Nations are now the successor as mandatory bestower. How was the Government of Trans-Jordan brought into being, if the Senator has information; how is its ruler selected?

Mr. MYERS. I think Trans-Jordan was set up as a separate principality back in 1922, under the mandate. It was provided, however, that no action shall be taken which was inconsistent with certain articles.

Mr. BREWSTER. How did this Emir Abdullah become the ruler of Trans-Jordan?

Mr. MYERS. He might be nothing more than an interloper. I do not think he has any definite status.

Mr. BREWSTER. Has the Senator any information that anything in the nature of an election has ever been held within the territory to determine on the government?

Mr. MYERS. I have no knowledge whatsoever as to that, and I am quite certain no election was ever held.

Mr. BREWSTER. That is my information. I understand that this gentleman was merely selected as the ruler of this territory by the British Government, and is now recognized as the absolute dictator of this land and its 320,000 people, with nothing that in any degree resembles democratic institutions, for which, as I think the Senator indicated, there might be grave doubt whether they were prepared.

Did the Senator refer to the nature of the military agreements which were incident to this matter?

Mr. MYERS. No; I did not refer to them.

Mr. BREWSTER. It is announced in the press that Britain has made military arrangements of a mutual character by which Trans-Jordan is permitted to maintain troops in British territory, and the British are permitted to maintain troops in Trans-Jordan. What would be the Senator's view as to permission for the maintenance of occupying troops in Trans-Jordan by the Emir as a creature of the British throne, so far as qualifying under the provisions of the United Nations Charter with reference to occupying a foreign country are concerned—whether or not that would qualify British arms to occupy that country?

Mr. MYERS. I think that is one of the purposes.

Mr. BREWSTER. Of the entire transaction?

Mr. MYERS. Very definitely.

Mr. BREWSTER. I should like to ask the Senator whether or not he has any information as to the report in the press that Emir Abdullah is seeking to hire 20,000 Polish troops, with the apparent object of making war upon others of the Arab states to recover some of the territory of which he claims he has been unjustly deprived. Has the Senator any information as to that?

Mr. MYERS. I have no knowledge of that, and I did not see that in the press.

Mr. BREWSTER. That was in the newspapers yesterday, and it was intimated that Ibn-Saud, who has been the more aggressive of the Arab rulers in recent days, had apparently ousted Emir Abdullah, who is now ruler of Trans-Jordan, and that there was a distinct possibility of conflict in the attempt to reestablish their territories and their alleged rights.

Would these be matters which would be appropriate for consideration by the United Nations, under the Charter, as possibly provocative of armed conflict within an area that seems to be the breeding ground of future trouble for the world?

Mr. MYERS. I think they would very likely be provocative.

Mr. BREWSTER. I express my complete concurrence in the Senator's idea that the State Department should be asked for a full report on the situation. I hope the Senator will consider, perhaps, the introduction of a resolution unless he receives prompt advices as to this situation, and as to what action is contemplated by our Government under the treaties which are in force.

Mr. MYERS. I appreciate the comments of the Senator from Maine.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MYERS. I yield to the Senator from Washington.

Mr. MAGNUSON. I wish, also, to express my complete concurrence in what the Senator from Pennsylvania has said. In view of the apparently direct violation of article V of the mandate as given to Great Britain by the League of Nations, I wish to ask him what he thinks the action of this Government should be in recognizing this so-called puppet state, if, when this treaty is published, the facts as stated by the Senator from Pennsylvania are shown to be correct?

Mr. MYERS. I should first prefer to wait upon a report from the State Department before commenting on that.

Mr. MAGNUSON. Does not the Senator from Pennsylvania agree with me that if what we now believe should prove to be correct, namely, that Great Britain has violated article V of the mandate—and I am sure we will find the facts to be as stated when the treaty is published—the Government of the United States should not in any way recognize the Trans-Jordan so-called independent state.

Mr. MYERS. Quite definitely, I do not think we should recognize it.

Mr. MAGNUSON. I desire to ask the Senator from Pennsylvania another question regarding article III of the so-called Anglo-American treaty to which he referred, regarding vested American rights in the territory. Is it not a fact that Palestine has been built up, probably not in whole, but in the main, by American capital and American contributions?

Mr. MYERS. I think America made the greatest contribution.

Mr. MAGNUSON. And that our rights have been seriously impinged upon by Great Britain, which went ahead in the hiatus between the League of Nations and the United Nations and violated her mandate, instead of turning this whole matter over to the United Nations Organization, which I think the Senator from Pennsylvania agrees with me should have been done.

Mr. MYERS. Yes.

Mr. FULBRIGHT. Mr. President, will the Senator from Pennsylvania yield?

Mr. MYERS. I yield.

Mr. FULBRIGHT. The Senator says Great Britain violated the agreement with the League of Nations. Why is that of any interest to us? If I recall correctly, we are not members of the League of Nations.

Mr. MYERS. Answering the Senator from Arkansas, the creation of an independent State of Trans-Jordan violates certain articles of the mandate.

Mr. FULBRIGHT. The United States not being a member of the League of Nations, does that interest us?

Mr. MYERS. It violates article 80 of the United Nations Charter, which specifically prohibits the alteration in any manner of the rights of any state or any people by the terms of existing international instruments to which the members of the United Nations may, respectively, be parties under mandates from the League of Nations.

Mr. BREWSTER. Mr. President, in response to the inquiry of the Senator from Arkansas, the Coolidge convention of 1924 contained the complete provisions of the mandate.

Mr. FULBRIGHT. I was asking how what was done under the League of Nations mandate related to this country. We will come to the other in a moment. I was not asking about the Coolidge convention. The Senator from Washington said Great Britain violated a provision of the mandate of the League of Nations. I merely asked why, the United States not being a member of the League of Nations, our State Department should protest, even if the mandate were violated.

Mr. MYERS. I think the Senator misunderstood. I spoke of the United Nations.

Mr. FULBRIGHT. Have these mandates been turned over to the United Nations?

Mr. MYERS. To the United Nations Organization.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. BREWSTER. As the Senator from Maine has understood, the position of our country has been that the nations should observe their agreements, irrespective of whether those agreements are with us. It is true that under the League of Nations 45 or 50 countries imposed this mandate on Britain, which the Mandates Commission has clearly decided was violated. The United States subsequently became a party by the Coolidge convention, but irrespective of that, it certainly is not contended that Britain or any other country is at liberty to violate treaties if they do not happen to be treaties with the United States.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. MAGNUSON. I may be incorrect. I see present the distinguished Senator from Michigan [Mr. VANDENBERG], who was a delegate to the San Francisco Conference. It was my understanding that the signatories to the United Nations Organization at San Francisco, including Great Britain, agreed, either actually or impliedly, that the mandate which existed under the League of Nations would be turned over for disposition by the United Nations Organization. I may be incorrect in that understanding.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. VANDENBERG. There is no doubt about the language of article 80, which the able Senator from Pennsylvania has read, and there is no doubt that—

> Nothing in this chapter shall be construed in or of itself to alter in any manner the rights whatsoever of any states or any peoples or the terms of existing international instruments to which members of the United Nations may respectively be parties.

There is no doubt about that. I should say the only question here is a question of fact as to what the mandate was and still is.

Mr. MAGNUSON. Mr. President, will the Senator again yield?

Mr. MYERS. I yield.

Mr. MAGNUSON. In other words, a violation of the League of Nations' mandate, which has now been turned over to the United Nations Organization, would, in fact, now be a violation of article 80 of the United Nations Charter.

THE QUIETING OF TITLE TO CERTAIN SCHOOL-DISTRICT PROPERTY IN ENID, OKLA.

Mr. MOORE. Mr. President, I ask unanimous consent to take from the calendar order of business No. 1085, House bill 3796, to quiet title to certain school-district property in Enid, Okla. The bill was unanimously reported by the Committee on Public Lands and Surveys. I ask for immediate consideration and passage of the bill.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3796) to quiet title to certain school-district property in Enid, Okla.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the bill (H. R. 3796) was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. LUCAS. Mr. President, I ask unanimous consent to be absent from the Senate for a few days.

The PRESIDING OFFICER. Without objection, the leave requested by the Senator from Illinois is granted.

Mr. LUCAS. Mr. President, in view of the fact that I shall be compelled to leave the Senate Chamber not later than 4 o'clock, and thinking perhaps that I may not have an opportunity to vote on the final passage of the bill which is before the Senate, I desire to make my position known in advance. Some of my votes on amendments may be misunderstood in view of the final position I propose to take.

Mr. President, I have given considerable thought and study to various types and kinds of legislation which have come from time to time before the Senate of the United States which contained inflationary tendencies. I think it was the intention of the Congress of the United States, when we passed the Price Control Act, to hold the line if possible during the war and through the reconversion period. Everyone knows that the line has been bent. Everyone has talked about the bulge in the line as a result of the increase in wages, the increase in prices, and the increased cost of everything.

Mr. President, if this bill should become the law of the land, it would constitute, in my humble opinion, a most extraordinary measure of inflation. In view of what this bill in its entirety will do toward bringing about inflation, it seems to me it will be extremely difficult to keep the economy of this country from running wild. I am convinced beyond the question of a doubt that if the measure should become the law of the land it would be absolutely useless and futile for the Congress to attempt to continue any control over anything from this time on.

Believing as I do with respect to this important measure, Mr. President, I am compelled to vote against it in its entirety. I take that position for what I conceive to be the best interests of the people of America, as I see the ball of inflation rolling and rolling all the time. Some day, some time, unless the Congress of the United States has the courage to put an end to it, the spiral of inflation will overtake us all and no one can predict what may happen.

Mr. President, I may be unduly alarmed about this matter. Many other Members of the Senate will not see it as I see it, and certainly I do not claim any superior wisdom upon a question of this kind. But I am merely stating my position for the RECORD at this moment because I fear I may not have an opportunity to vote "nay" on the final passage of the bill. I say this with the utmost sincerity and good faith, believing that I can be of some service to the economic and social and political structure of America by doing whatever I can to see to it that this bill shall not become law.

Mr. CAPEHART. Mr. President, I offer an amendment to the Ellender-Ball amendment. My amendment is on page 2, line 4, in subsection 2, line 10, to strike out "60 cents" and insert "65 cents."

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. HICKENLOOPER. What is the amendment offered by the Senator from Indiana?

Mr. CAPEHART. The amendment is to increase the 60-cent minimum contained in the Ellender-Ball amendment, to 65 cents. I voted for the Russell amendment. I voted for it in good faith. I voted for the 60-cent minimum, and I voted for it in good faith. I was not a party to the so-called compromise that was reached under the direction of the able Senator from Florida [Mr. PEPPER], who has now left for parts unknown. It seems to me in all fairness to those who advocated the 65-cent, 70-cent, and 75-cent wage that the least that we should do is to make the minimum a flat 65 cents. I offer the amendment to that effect and I hope the Senate will agree to it.

Mr. WHITE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHITE. Is not this amendment in substance precisely the amendment heretofore voted upon fixing a 60-cent minimum rate?

The PRESIDING OFFICER. The Parliamentarian has just informed the Chair that the amendment is in order; that the amendment offered by the Senator from Louisiana was in fact a modification, it was not an amendment, and the amendment offered by the Senator from Indiana is in order. The Chair so holds.

The question is on agreeing to the amendment offered by the Senator from

Indiana [Mr. CAPEHART] to the Ellender-Ball amendment, as amended.

Mr. REVERCOMB. Mr. President, I suggest the absence of a quorum.

Mr. TAYLOR. Mr. President, will the Senator——

Mr. CAPEHART. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from West Virginia has made the point of no quorum, and the Senator from Idaho rose. The Chair asks the Senator from West Virginia if he will withhold his suggestion of the absence of a quorum.

Mr. REVERCOMB. I withhold it for a statement by the Senator from Idaho.

Mr. TAYLOR. Did I understand the Senator from West Virginia to suggest the absence of a quorum?

Mr. REVERCOMB. I did.

Mr. TAYLOR. That is the purpose for which I rose.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	O'Daniel
Austin	Gurney	O'Mahoney
Ball	Hart	Overton
Bankhead	Hatch	Radcliffe
Barkley	Hawkes	Reed
Bilbo	Hayden	Revercomb
Brewster	Hickenlooper	Russell
Bridges	Hoey	Saltonstall
Briggs	Johnson, Colo.	Shipstead
Brooks	Johnston, S. C.	Smith
Buck	Knowland	Stanfill
Bushfield	La Follette	Stewart
Butler	Langer	Taylor
Byrd	Lucas	Thomas, Okla.
Capehart	McClellan	Thomas, Utah
Capper	McFarland	Tobey
Carville	McKellar	Tunnell
Connally	McMahon	Vandenberg
Cordon	Magnuson	Walsh
Donnell	Maybank	Wheeler
Downey	Mead	Wherry
Eastland	Millikin	White
Ellender	Mitchell	Wiley
Ferguson	Moore	Willis
Fulbright	Morse	Wilson
Gerry	Murdock	Young
Gossett	Murray	
Green	Myers	

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Eighty-two Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to the so-called Ellender-Ball amendment as amended.

Mr. CAPEHART. Mr. President, possibly some Members of the Senate do not understand the amendment. I have just offered an amendment to the Ellender-Ball amendment as amended, to increase the minimum wage from 60 to 65 cents, and I ask for a standing vote on the amendment.

Mr. BALL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BALL. Mr. President, I wish to speak very briefly on this amendment. I do not know that we can do anything more to the bill than has been done to it. Originally the Ellender-Ball amendment provided for rates of 55 and 60 cents. The rate now fixed is 60 cents, and this amendment would increase it to 65 cents. I think it is unsound economics, but it certainly is no more unsound and no more inflationary than the so-called Russell amendment. I shall vote against it, as I expect to vote against the whole bill, which I think is now a complete legislative monstrosity.

Mr. President, I merely wished to make my position clear.

Mr. ELLENDER. Mr. President, I cannot understand the motive behind this amendment, except that it seems to me it is tainted with politics.

Yesterday the Senate went on record, by the overwhelming vote of 76 to 6, fixing the hourly wage rate at 60 cents, to become effective 6 months after the law becomes operative. Today it is suggested that we reverse that action.

There is little evidence, if any, to substantiate a 65-cent minimum wage at this time. As I stated last week during debate, the proponents of the pending measure have veered away from the philosophy of the 1938 Fair Labor Standards Act to rid the country of sweatshops. Today the cry is a legal wage sufficient to maintain a family of four. I favor a 65-cent minimum if time were given for industry to absorb the additional costs incident to such an increase. We are being urged to vote a minimum of 65 cents irrespective of industry's ability to pay it. I know of many industries that will not be able to stand the shock and unemployment will follow. I do not wish to reiterate the arguments I made last week, but I maintain that Congress is in no position to vote such an increase and thereby make it legal, for it will do violence to many industries. The high hourly rate as well as the additional coverage, insisted upon by the majority members of the committee, has been the cause for not bringing forth a reasonable bill which would have been enacted by the Senate without the Russell amendment. Today, to say the least, this great legislative body is being made ridiculous by being called upon again to vote on the rate, which was fixed yesterday by this Senate at 60 cents by an overwhelming vote of 76 to 6 as I heretofore pointed out.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TUNNELL. I do not believe that the vote yesterday indicated a judgment as to whether or not the 65-cent rate should prevail. At that time it was understood that there had been some sort of an agreement. While I had not participated in it, I was perfectly willing to abide by it. The reference by the Senator from Louisiana to the vote yesterday is a reference to a vote which was cast at a time when it was supposed that there was an understanding among enough Senators to prevail.

However, Mr. President, I intend to support the amendment of the Senator from Indiana. I do not anticipate that I shall have very much company in voting for it, because some Senators take the position that the Senator from Louisiana has taken, namely, that the matter is settled. However, in order that there may be no misunderstanding about where I stand, I now state that I stand for the rate which is proposed by the amendment of the Senator from Indiana, and I am against the parity amendment which was attached to the bill yesterday.

Mr. LA FOLLETTE. Mr. President, I should like to say that I think we ought to quit operating on the legislative cadaver which is now before the Senate, and we should send it as decently as possible and as quickly as possible to a legislative mortuary. [Laughter.] I wish to state that I think all the votes which have been taken here today are unfortunate in the respect that I do not believe they reflect the considered or carefully weighed judgment of the Senate on any of the proposals which have been under consideration or any of the amendments which have been offered. I make that statement without any desire in any way directly or indirectly to question the motives of any Senators who have offered amendments or of the votes which have been cast. But every Senator who is aware of the situation knows that this bill is a legislative dead duck; and therefore, quite naturally, there comes over the Senate, under those circumstances, a much more casual approach to fundamental issues which are presented here than would be the case if the Senate felt that the legislation would ultimately find a place on the statute books.

So I feel that under all the circumstances it is unfortunate that we cannot quickly conclude consideration of the bill and stop going through lost motion in the presentation of issues which already have been determined by the action of the Senate.

Mr. CARVILLE. Mr. President, I merely wish to make my position clear. So far as the amendment offered by the Senator from Indiana [Mr. CAPEHART] is concerned, I intend to vote for it. We have never had an opportunity to vote on the question of a 65-cent minimum. The other day I made an address before the Senate supporting the 65-cent minimum as the proper rate. I feel that it is the rate which should be adopted, regardless of whether the bill is a legislative dead duck. I think the 65-cent rate is the one which should be set as the minimum.

Mr. BARKLEY. Mr. President, I share somewhat the feeling of the Senator from Wisconsin [Mr. LA FOLLETTE] with respect to the pending legislation. I favored the original Senate bill providing for 65, 70, and 75 cents an hour, and I was prepared to vote for that rate, as the bill was originally reported by the Senate Committee on Education and Labor.

The Russell amendment injecting into the bill a new parity formula was offered. I voted against that amendment, not because I opposed a revision of the parity formula, but because I believed that the proposed revision brought here on the spur of the moment, without sufficient consideration, was unsatisfactory, and that most of the Senators who voted for it, including the author of the amendment himself, recognized that it was not a satisfactory revision of the parity formula. I think the parity formula based upon the period from 1914 to 1919 uses a base period which is too remote in the past, and I believe that very soon we must sit down seriously to consider the very technical subject of a parity formula. It is not one which can be written overnight; it is not one which can be written by any one man. It is one which must be written by

the conjunction of the minds of a great number of people who are interested in the question of agriculture.

In an effort to work out a bill which we could pass with some fair chance of final enactment, I participated in the conferences which agreed upon a flat rate of 60 cents an hour, which is some advance over the rate of 40 cents an hour now provided by the law. I am anxious to have some legislation enacted. I want to get something which can become the law. I am not playing politics in my votes on any amendments or on the bill itself. I wish to obtain legislation for the benefit of the working people who now are not covered by the law or, if they are covered, are covered at a ridiculously low rate of wages.

In the effort to do that and to bring about legislation which might have a chance of enactment, I voted yesterday for the 60-cent flat rate. Although the Russell amendment, as presented again, was adopted by the Senate, I do not intend to change my vote because of that. I recognize no obligation on my part, now that we are reaching the conclusion of the consideration of the pending legislation, to change a vote which I cast or an agreement which I, along with other Senators, made in an effort to obtain a bill which might become the law, and by which we agreed upon a flat rate of 60 cents.

All sorts of suggestions have been made here. One has been that we recommit the bill to the Committee on Education and Labor. Another one has been that we defeat it in its present form. On yesterday, late in the day, when we were about to adjourn, one of the authors of the bill preached its funeral and asked us to give it a decent burial in his absence from the Senate.

I do not share any of those sentiments. I shall vote for this bill and vote to send it to the House of Representatives, and I do not think anything about it is either wrong or lost until the last man has quit fighting. I am not willing to concede defeat in the effort to obtain minimum-wage legislation in the Congress of the United States, even though we may not get as much as we want, even though we may not get as much as we thought we were entitled to get when the bill was brought into the Senate.

I shall not vote to recommit the bill, if a motion to that effect is made, and I shall not vote against the bill on the question of its final passage. I shall vote to pass the bill and to send it to the House of Representatives, in the hope that it will be possible to work out legislation which will reasonably measure up to the requirements of the day in which we live, so as to give the men and women affected by the bill a fairer distribution of the income which the entire population of the United States makes.

Recently we passed a full employment bill. It went to the House of Representatives, and the House completely rewrote it. I do not recall in recent years as much difference existing between two measures as that which existed between the House and Senate versions of the full employment bill. All the pessimists said the House and the Senate never would get together on that legislation. However, we finally got together on the full employment bill, and the President has signed it and it is now the law.

I hope we shall not give way to pessimism in the present case and I hope we shall not run out because we cannot get all we want. I hope we shall pass the bill speedily and send it to the House of Representatives, and let the House of Representatives work on it and try its hand on it. If the House version and the Senate version are radically different, when they are sent to conference I think we may be able to work out a measure which will give proper treatment to the working people whom we are seeking to benefit.

For those reasons I shall not vote for the amendment offered by the Senator from Indiana, but I shall vote for the bill when it is completed, if and when it is completed by the Senate, in the hope that out of the processes of legislation which must take place between the two branches of Congress and in Congress, it may be possible to enact an acceptable bill in behalf of those who are intended to be aided by it.

Mr. CAPEHART obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. WHERRY. Mr. President, I ask unanimous consent that the junior Senator from New Jersey [Mr. SMITH] be excused for the remainder of the afternoon, because he is necessarily absent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, I am not going to try to assume to say that any Senator or any other person is playing politics with this bill. I was never more sincere in my life than I was when I voted twice for the Russell amendment. I shall, if necessary, vote for it a third time or a fourth time or a fifth time, so far as that is concerned. I voted for the 60-cent minimum in the Ellender-Ball amendment. Yesterday I asked whether the Senate would be given an opportunity to vote on the 65–70–75-cent rate, and I was told by one of the authors of the bill, the Senator from Florida [Mr. PEPPER], that I would not be given such an opportunity.

I do not wish to charge anyone with playing politics. I am certain that the able Senators on the other side of the aisle who have spoken ahead of me are not accusing anyone of playing politics. If I thought anyone was playing politics, there are a few things which I might have to say on the subject. But I am certain that there is no politics in this matter. There is not as far as I am concerned.

Mr. President, I have had nothing to do with the compromise. No Senator consulted with me in regard to it. In my opinion, a 65-cent rate is probably more equitable than a 60-cent rate. Had I been one of the Senators participating in the compromise, inasmuch as the original bill provided for a rate of 75 cents, I believe I would have compromised at 65 cents. I believe that 65 cents comes nearer to being an equitable amount, and I hope my amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana to the Ellender-Ball amendment as amended. On this question, the yeas and nays having been demanded and ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BANKHEAD (when Mr. HILL's name was called). My colleague, the junior Senator from Alabama, is absent because of the death of his father.

The roll call was concluded.

Mr. BRIDGES (after having voted in the negative). I voted, but I announce that I have a general pair with the Senator from Utah [Mr. THOMAS]. He is not present, so I shall have to withdraw my vote.

Mr. REED (after having voted in the negative). I have a general pair with the Senator from New York [Mr. WAGNER]. I thought that if present he would vote as I voted, namely, "nay". But the information I now have leaves me uncertain as to how the Senator from New York would vote; so I withdraw my vote and I stand on my general pair with the Senator from New York.

Mr. MYERS. The senior Senator from Pennsylvania [Mr. GUFFEY] is necessarily absent. If present, he would vote "yea."

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Ohio [Mr. HUFFMAN] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Georgia [Mr. GEORGE], the Senator from Illinois [Mr. LUCAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Florida [Mr. PEPPER] and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

The Senator from Texas [Mr. O'DANIEL] is detained on official business at one of the Government departments.

I wish to announce further that on this question the Senator from Utah [Mr. THOMAS] has a general pair with the Senator from New Hampshire [Mr. BRIDGES].

I also announce that on this question the Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED].

I announce further that if present and voting the Senator from Nevada [Mr. MCCARRAN] would vote "yea."

Mr. WHERRY. The Senator from Delaware [Mr. BUCK], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from New Jersey [Mr. SMITH], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Ohio [Mr. TAFT] is necessarily absent by leave of the Senate.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from Connecticut [Mr. HART] and the Senator from Kentucky [Mr. STANFILL] are unavoidably detained.

The result was announced—yeas 41, nays 27, as follows:

YEAS—41

Aiken	Johnston, S. C.	Myers
Briggs	Knowland	O'Mahoney
Brooks	La Follette	Revercomb
Capehart	Langer	Russell
Capper	McFarland	Shipstead
Carville	McKellar	Stewart
Cordon	McMahon	Taylor
Downey	Magnuson	Thomas, Okla.
Ferguson	Maybank	Tobey
Gerry	Mead	Tunnell
Gossett	Mitchell	Walsh
Green	Morse	Wheeler
Hayden	Murdock	Young
Johnson, Colo.	Murray	

NAYS—27

Austin	Eastland	Moore
Ball	Ellender	Overton
Bankhead	Gurney	Radcliffe
Barkley	Hatch	Vandenberg
Bilbo	Hawkes	Wherry
Butler	Hickenlooper	White
Byrd	Hoey	Wiley
Connally	McClellan	Willis
Donnell	Millikin	Wilson

NOT VOTING—28

Andrews	Guffey	Robertson
Bailey	Hart	Saltonstall
Brewster	Hill	Smith
Bridges	Huffman	Stanfill
Buck	Kilgore	Taft
Bushfield	Lucas	Thomas, Utah
Chavez	McCarran	Tydings
Fulbright	O'Daniel	Wagner
George	Pepper	
Glass	Reed	

So Mr. CAPEHART's amendment to the Ellender-Ball amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question recurs agreeing to the Ellender-Ball amendment as amended.

(At this point Mr. JOHNSON of Colorado offered an amendment which the Chair held to be out of order. On request of Mr. JOHNSON of Colorado and by unanimous consent the debate was ordered to be transposed to a subsequent place in the RECORD.)

Mr. WILEY. Mr. President, I send to the desk an amendment to the Ellender-Ball amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 27, it is proposed to strike out the quotation marks at the end of line 14, and between lines 14 and 15 insert the following:

(d) The President is authorized, whenever he shall determine that an economic emergency exists within the United States, to suspend the provisions of section 6 or section 7, or both, and of any orders issued by the Administrator under section 8, for such period or periods as he may deem necessary or desirable in the public interest.

Mr. WILEY. Mr. President, I shall take only a moment to discuss the amendment. I wish to say to the Members of the Senate that the purpose of the amendment is very clear. In my short lifetime I have lived through three depressions. What a depression means is that the dollar goes up in purchasing power and the price of goods goes down. If the pending bill shall become law we will be freezing a level of 65 cents in wages and no one who is engaged in commerce can pay a smaller wage without becoming a criminal. Under present conditions, with our tremendous indebtedness of $300,000,000,000, more or less, with the tremendous need for money to pay Government expenses, under a Budget of $25,000,000,000, we all believe 65 cents is a small wage. But, Mr. President, we have seen the cycle turn around in our history. My point is that we are mortising that thing in, and if 2 or 3 or 4 or 5 or 6 or 10 years from now we should find that conditions in the world have changed and a depression such as we went through from 1929 on should befall this country our machinery would be inadequate. Oh, it may be said Congress can be called together and action can be taken. No, it cannot happen in that way because there would not be immediately at hand the tools, the legislative mechanism, that could do the job.

Under my amendment it would be up to the President to reduce the wage level if the public interest required it in the event of a depression.

I ask that my amendment be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. WILEY] to the Ellender-Ball amendment, as amended.

The amendment to the amendment was rejected.

Mr. MAGNUSON. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the appropriate place it is proposed to strike out section 10 of the Ellender-Ball amendment.

Mr. MAGNUSON. Mr. President, I am somewhat in the same situation as is the Senator from Colorado [Mr. JOHNSON]. I do not know the exact page in the Ellender-Ball amendment to which my amendment would apply. However, it strikes out all of section 10, which is section 16 of the Fair Labor Standards Act.

The Senator from Florida [Mr. PEPPER] left with me, upon his departure last night, a proposed amendment intended to be offered on behalf of himself and other Senators. It would provide for certain exemptions on behalf of employers who might be liable for wages and compensation if such employers relied in good faith upon the regulations of the Administrator of the act. That amendment was based upon the fact that under the terms of the original committee amendment there were further coverages under the act, and that some of the employers who might not know that the law then applied to their type of business, and who relied in good faith upon the regulations of the Administrator, would be penalized. But inasmuch as we are about to adopt the Ellender-Ball amendment, which will be the bill as it leaves the Senate, and there are no further coverages under the act in that amendment, it seems to me that there is no necessity for section 10, and that therefore the penalities under the present law should apply. The purpose of this amendment would be to have the penalties under the present law apply, as the law is now written, and not to add to the law section 10.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. CORDON. Mr. President, I make the point of order that the amendment is out of order, in that it goes beyond the Ellender-Ball amendment. It provides for the inclusion in that amendment of material in the committee amendment which is not included in the Ellender-Ball amendment at all.

The PRESIDENT pro tempore. If it is an amendment beyond the scope of the Ellender-Ball amendment it is not in order.

Mr. CORDON. Even though it includes matters which the committee amendment did not include in the first instance, in other sections of the committee amendment? Is my understanding of the ruling correct?

The PRESIDENT pro tempore. The Senator from Washington is proposing to amend section 10 of the committee amendment.

Mr. CORDON. May I suggest, Mr. President, that the Senator from Colorado [Mr. JOHNSON] attempted the same thing a few moments ago, and the ruling of the Chair then was that the Senator's amendment was out of order.

Mr. MAGNUSON. Mr. President, the Senator from Washington has sent to the desk an amendment which proposes to amend the Ellender-Ball amendment. It is an amendment to strike out section 10 of the Ellender-Ball amendment. That is also included in the committee amendment.

The PRESIDENT pro tempore. The point of order is well taken. The amendment is not in order at this time, but it may be offered later, after the Ellender-Ball amendment, which amends sections 2 to 9 only, is disposed of

Mr. MAGNUSON. In other words, after the Ellender-Ball amendment has been adopted, if it is to be adopted, I may offer my amendment?

The PRESIDENT pro tempore. The Senator may then offer his amendment.

The question is on agreeing to the Ellender-Ball amendment as amended to the committee amendment, as amended.

The amendment as amended to the committee amendment, as amended, was agreed to.

Mr. JOHNSON of Colorado. Mr. President, a moment ago I was ruled out of order when I attempted to offer an amendment. I now offer the amendment, and ask unanimous consent that my previous remarks, together with the letter from Secretary of Labor Schwellenbach, be transposed to this point in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(The debate transposed from a previous place on request of Mr. JOHNSON of Colorado, and by unanimous consent, is as follows:)

Mr. JOHNSON of Colorado. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

That section 16 (b) of the Fair Labor Standards Act is amended by adding at the end thereof a new sentence as follows: "No action may be maintained under this subsection unless commenced within 12 months from the date the cause of action accrued."

Mr. JOHNSON of Colorado. Mr. President, the pending bill is in very confused status, as all of us understand, and there is some language in the bill on this particular point. So I ask unanimous consent to perfect my amendment by providing that this language shall replace all the language appearing in section 12 of the Tunnell-Pepper committee amendment to S. 1349.

The PRESIDENT pro tempore. The Senator has a right to modify his amendment.

Mr. JOHNSON of Colorado. Mr. President, my reason for offering the amendment is that section 16 (b) provides a very harsh penalty, that is, an employee may bring a case against an employer indefinitely, collect all the back wages due, plus an amount equal to those wages, and, furthermore, attorney's fees, court costs, and other expenses are charged to the employer.

I have been besieged by a great many small businesses in Colorado who are not certain whether they are under the bill or whether they are not. If the cases against them should be prosecuted and the court should decide later that they are under the bill when they thought they were not, it would simply ruin them.

The House of Representatives has been dealing with this question, and the Committee on the Judiciary of the House reported to the calendar the so-called Gwynne bill, which would do the same thing my amendment would attempt to do.

In reporting the Gwynne bill, the committee made a report on the situation facing the country and facing the small businesses, and I ask permission to place 2 pages of their report in the RECORD at this point, namely, pages 4 and 5. However, I should like to read one short paragraph:

The taxpayer, too, has a heavy stake in this proposed legislation. Many cost and cost-plus-fixed-fee contractors have been and are being sued for unpaid overtime. Such overtime and liquidated damages, together with litigation expenses, are all reimbursable under cost and cost-plus-fixed-fee type contracts. The Comptroller General has so decided. One witness, testifying in the hearings, reported information that more than 5,000 suits had then been filed against contractors of the War Department alone and that the amount of contingent liability may be in excess of $2,000,000,000.

Mr. President, I ask that the language appearing on pages 4 and 5 of the report on the Gwynne bill be inserted in the RECORD at this point, and I ask that section 16 (b) be printed in the RECORD also.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

NEED FOR THIS LEGISLATION

It has long been the policy of the law to require the litigation of disputes within a reasonable time. Particularly is this true where the statute creating the cause of action subjects the defendant to unusual and arbitrarily determined damages or penalties. Then, too, liability often comes about by reason of the extension of laws through interpretation and application of administrative agencies. It is often where a new interpretation is applied that an employer for the first time finds himself liable for large sums for past services of individuals, many of whom may no longer be in his employ, but whose right to collect can be asserted as much as 12 years later.

A good illustration arises from the operation of the Fair Labor Standards Act. An employer who violates the provisions of this law relating to wages or hours may be subjected to suit for twice the amount involved together with costs and attorney fees. The application of this law has been greatly extended by administrative regulations. As a result an employer who may have, in good faith, relied upon a certain ruling, regulation, or practice, suddenly finds himself confronted with many suits, when a change is made either by the Administrator or by the courts. The enforcement of this new liability dating back to the enactment of the law would in many cases bankrupt the employer.

From the hundreds of examples that might be cited here, only a few will be mentioned.

For 4 years after the Fair Labor Standards Act was passed, building operators who rented space to persons or companies engaged in the production of goods for commerce assumed that their own employees who did not produce any goods were not subject to the act. In June 1942 the Supreme Court of the United States decided that the employees of these building operators were engaged in occupations necessary to production and consequently subject to the act.

Some years ago the Wage and Hour Administration advised that cookhouse personnel in logging camps were there for the convenience of the employees, were not engaged in an occupation necessary for the production of goods for commerce, and so were not under the act. Approximately 3 years later, the Administration announced that it had been in error in its first opinion and that employers would be required to make retroactive overtime pay adjustments to cookhouse employees.

For many years, both coal miners and operators generally agreed that "travel time" was not work time. Wages were adjusted on that basis. In fact, it was the subject of collective bargaining agreements between the operators and the union. In accordance with this understanding, the Wage and Hour Administrator ruled that such travel time was not work time under the act. Thereafter, in the case of *Jewell Ridge Coal Co.* v. *Local No. 6167, United Mine Workers* (322 U. S. 756), the Supreme Court of the United States held that, notwithstanding the collective bargaining agreement, travel time was work time. This decision had the practical effect of creating new and unforeseen contingent liabilities which both parties had deliberately attempted to avoid.

Among others affected by the Jewell Ridge Coal Co. decision is the logging industry. After the gasoline shortage developed, one company initiated the practice of transporting its employees to the place of operation, the time thus involved being about 2 hours per day. The straight time hourly rate of pay was $1.36 per hour and the overtime $2.04 per hour. This company, employing 100 men for 225 days a year, thus suddenly finds itself subject to an additional and wholly unexpected liability of $200,000 for 1 year.

In *Brooklyn Savings Bank* v. *O'Neil* (323 U. S. 698), the Supreme Court decided that the action given for liquidated damages under the Fair Labor Standards Act could not be waived by agreement between the employer and the employee. In *Missel* v. *Overnight Transportation Co.* (316 U. S. 572), the Court had this to say:

"Is this provision of the law as to liquidated damages mandatory or discretionary? Since the act has been violated in good faith in this case, we would indeed like to hold that it is discretionary. It seems a keen injustice for employers bewildered by strange legislation and confused by divergent authority in the courts to be subjected to such a measure. Yet no matter how much we lament its harshness, the section appears to be mandatory and virtually all the courts have so construed it."

Similar instances might be pointed out of cases arising under the Public Contracts Act, the Clayton Act, the Sherman Act, and many others. For example, the Supreme Court, in the case of *United States* v. *South-Eastern Underwriters Assn.* (322 U. S. 533), held that insurance transactions across State lines constituted interstate commerce, thereby reversing prior decisions of 75 years' standing. Immediately such transactions became subject to the antitrust laws, and insurance companies might be subjected to suits for treble damages for doing the very things the Court formerly said were lawful and which the various States in some instances actually required.

This legislation will be particularly beneficial to small employers. They generally do not have the large legal staff necessary to keep them posted daily on the volume of administrative regulations, rulings, and interpretations issued by Government bureaus. These regulations are the law under which the employer is expected to operate. Volumes are published and distributed weekly. The Code of Federal Regulations now has 41 bound volumes. The Daily Federal Register has become so bulky that few can find time to read it. Yet the manager of a small business must understand and comply with these multitudinous pronouncements or run the risk of suits for double and treble damages or drastic arbitrarily fixed penalties. Even if he could accomplish the remarkable feat of understanding and complying with all this, he would still not be safe. For without notice these rules might be changed and that which was lawful when done now becomes unlawful in retrospect.

The taxpayer, too, has a heavy stake in this proposed legislation. Many cost and cost-plus-fixed-fee contractors have been and are being sued for unpaid overtime. Such overtime and liquidated damages, together with litigation expenses, are all reimbursable under cost and cost-plus-fixed-fee-type contracts. The Comptroller General has so decided. One witness, testifying at the hearings, reported information that more than 5,000 suits had then been filed against contractors of the War Department alone and that the amount of contingent liability may be in excess of $2,000,000,000.

(b) Any employer who violates the provisions of section 6 or section 7 of this act shall be liable to the employee of employees affected in the amount of their unpaid minimum wages, or their unpaid overtime compensation, as the case may be, and in an additional equal amount as liquidated damages. Action to recover such liability may be maintained in any court of competent jurisdiction by any one or more employees for and in behalf of himself or themselves and other employees similarly situated, or such employee or employees may designate an agent or representative to maintain such action for and in behalf of all employees similarly situated. The court in such action shall, in

addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action.

The PRESIDENT pro tempore. The amendment apparently is proposed as a substitute for section 12 of the committee amendment.

Mr. JOHNSON of Colorado. It is a substitute for paragraph 12 of the committee amendment. I do not know what paragraph it is in the bill as now constituted, but paragraph 12 has been carried into the bill and still remains in the bill, but whether the number is 12 or not, I cannot say. I do not think it is 12 any longer.

The PRESIDENT pro tempore. The amendment would be outside the Ellender-Ball amendment, which covers only sections 2 to 9. Therefore, the Senator's amendment would not be in order at this time.

Mr. JOHNSON of Colorado. It would not be in order?

The PRESIDENT pro tempore. It would not be in order at this time.

Mr. JOHNSON of Colorado. I ask unanimous consent that I may offer it at this time. I do not care to make my statement again.

The PRESIDENT pro tempore. Is there objection?

Mr. MURRAY. Mr. President, this matter was before the committee when the bill was being considered, and the proposal to adopt a 1-year statute of limitations was rejected. We received a communication from the Secretary of Labor in which he objected to it, and I should like to send his letter to the desk so that it may be read.

The PRESIDENT pro tempore. The clerk will read.

The Chief Clerk read as follows:

APRIL 2, 1946.

Hon. JAMES E. MURRAY,
Chairman, Senate Education and Labor Committee, United States Senate, Washington, D. C.

DEAR SENATOR MURRAY: This is to express the position of the Department of Labor that the present provision in S. 1349 for a 2-year statute of limitations applicable to employee suits should be amended to provide instead for a 3-year period.

One of the principal purposes of the provision for employee suits is to afford a private means of enforcement of the Fair Labor Standards Act for the benefit of the employees themselves, to compensate them for the loss in wages and overtime which they have suffered as a result of violations by the employer. As you know, this Department has favored the enactment of a Federal period of limitation on such suits, in order to promote uniformity in the enforcement of the law. But the period of limitation should not be so short as, in effect, to deprive the employee of the benefits of the act. Too short a period will place the conscientious employer at a disadvantage against the unscrupulous employers, who will gamble upon the likelihood that their employees will not assert their rights within the permissible period. Furthermore, the act was enacted in large measure because of unequal bargaining power between unorganized employees and their employers. Such employees may, and often do, fear to bring suit while they are still employed, because of the possibility of losing their jobs. A short period would bar such employees from any recovery of the minimum wages and overtime due them. It would also bar from recovery many employees who were unaware of their rights at the time the violations occurred. I might also point out that to place unreasonable difficulties in the way of bringing employee suits would increase both the burden and the expense of enforcement of the act by the Federal Government.

It is the view of this Department that a 3-year period should be provided within which employees may assert their claims to back wages, overtime, and liquidated damages under the act. The applicable State statutes in the large majority of States provide for a period of 3 years or more, with significant concentration on the 3-year period. A 3-year period would afford ample time for the employee to bring his suit, making allowances for all of the difficulties which are ordinarily involved in this procedure. It would also not place an unreasonable burden upon the employer, from the point of view of the preservation of the necessary records and the adequate defense of his own interests. Furthermore, it would be in accord with the precedents set by the largest number of States where the question of the applicable statute has received judicial consideration.

Yours very truly,

L. B. SCHWELLENBACH.

Mr. JOHNSON of Colorado. Mr. President, at this late hour, I do not intend to argue the matter further, except to say that it seems to me that there should be a very definite period of limitation in which suits of the nature I have referred to could be initiated. Otherwise the wages pile up, and a small concern, even a larger concern, when faced with a suit which it did not expect, with heavy costs, is more than likely to be put completely out of business. That is why the amendment has been offered by me. I cannot agree with the Secretary of Labor in believing that the period should be 3 years. I think 1 year is sufficient for starting the suits, and I think my amendment should be agreed to.

The PRESIDENT pro tempore. The Chair will put the request of the Senator that he be allowed to offer the amendment at this time, but the Chair will state to the Senator that after the Ellender-Ball amendment shall have been disposed of the Senator's amendment will be in order.

Is there objection to the request of the Senator from Colorado that he may offer the amendment at this time?

Mr. CORDON. Mr. President, I shall have to object at this time, until after the Ellender-Ball amendment is out of the way.

The PRESIDENT pro tempore. Objection is heard.

(The debate ordered transposed on request of Mr. JOHNSON of Colorado ends at this point.)

Mr. TUNNELL and Mr. CORDON addressed the Chair.

The PRESIDENT pro tempore. The Senator from Delaware.

Mr. TUNNELL. Mr. President, the question of a statute of limitations was considered by the committee. When the bill came to us it had a provision for a 5-year statute of limitations. The committee thought that period was entirely too long and that it would have the effect of keeping a person who was in business in doubt for too long a time as to how he stood financially. After a great deal of discussion, the committee reduced the period to 2 years.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. JOHNSON of Colorado. The committee reduced the period to 2 years in all cases hereafter; but in all cases prior to the enactment of the pending bill the statutory period was not reduced.

Mr. TUNNELL. Perhaps I minunderstood the Senator's amendment. Does the Senator's amendment refer only to the debt which may now be due?

Mr. JOHNSON of Colorado. My amendment refers to everything under section 16, whether it happened before the enactment of this bill or whether it happens afterwards. It provides for a 1-year limitation.

Mr. TUNNELL. Mr. President, I object to such a short statutory period of limitations. Many of the employees are not in a position to know the law as perhaps the employer does. To say that after 1 year an employee should be entirely deprived of his remedy is pretty severe.

Up until this time, under the law as it now stands, the statutes of limitation in the various States have applied. In some States I believe the statutory period is 6 or 7 years.

Mr. JOHNSON of Colorado. It is 8 years in some States.

Mr. TUNNELL. It is as much as 8 years in some States. Certainly provision for a period of 1 year in which to bring action is not intended to help in securing justice for anyone.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to add to what the Senator from Delaware has said. We discussed in the committee at length the matter of limitation of actions, and we came to the conclusion that if we made the period too short, it would certainly penalize a great many workers throughout the United States.

Prior to becoming a Member of the Senate I handled hundreds of cases against various individuals and corporations. In every case which came to my attention the employee had let his case run for more than a year. I do not believe I had a single case in which the employee had not let the case run for more than a year.

I do not believe that the Senate wishes to penalize the workers of the United States by limiting the statutory period to 1 year. As has been stated, we have been governed and regulated by the statutes of limitation in the various States. In my State the statutory period is 6 years. I handled several hundred cases in North Carolina. In North Carolina the period is 3 years. It varies in the different States.

I believe that it would be a good thing to have a definite period of limitation uniformly throughout the United States. But I certainly would not say that 1 year would be proper. I do not believe that even 2 years is sufficient. Perhaps 3 years would be a proper limitation throughout the United States. I say that in all earnestness, because it will be found in industry, as was brought out by a Federal investigation some years

ago, that workers are intimidated to a certain extent while they are working for a corporation, because they fear—whether the fear is justified or not—that if they bring suit they will lose their jobs. That is one reason why they keep quiet.

So I urge the Senate not to make the period so short as to penalize the worker.

Mr. CORDON. Mr. President, yesterday I sent to the desk an amendment which I intended to offer, and which I hope presently to offer under the rules, concerning the same question of the application of the statute of limitations to causes of action arising under the Fair Labor Standards Act.

I am one of those who believe that every man should have his day in court, and that he should have a reasonable time in which to prepare to go into court. On the other hand, I believe that at some time there should be a finality to all disputes. There should be some time when a party to a dispute may know that he is no longer in danger of a continually mounting liability.

After careful consideration, and after a study of existing law and of the recommendation of the committee in the bill which we now have under consideration, I prepared an amendment.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. JOHNSON of Colorado. Is it the purpose of the Senator from Oregon to offer his proposal as an amendment to the amendment which I have just offered?

Mr. CORDON. Mr. President, it was my purpose presently to offer my amendment as a substitute for the amendment offered by the Senator from Colorado [Mr. JOHNSON]. I hope he may accept it as his amendment.

Mr. JOHNSON of Colorado. Mr. President, if I have the right to perfect my own amendment at this time, I should like to perfect it by adopting the language of the amendment of the Senator from Oregon.

The PRESIDENT pro tempore. The Senator from Colorado has a right to modify his amendment.

Mr. JOHNSON of Colorado. Very well, Mr. President; I so modify it.

The PRESIDENT pro tempore. The Senator from Colorado will send the modification to the desk so that it may be read.

Mr. JOHNSON of Colorado. Very well, Mr. President. I now send the modification to the desk and ask that it be read.

The PRESIDENT pro tempore. The amendment of the Senator from Colorado as modified will be read.

The CHIEF CLERK. On page 27, strike out line 25, and on page 28 strike out lines 1 to 20, inclusive, and insert in lieu thereof the following:

(b) Any employer who violates or has violated the provisions of section 6 or section 7 of this act shall be liable to the employee or employees affected in the amount of their unpaid minimum wages, or their unpaid overtime compensation, as the case may be, and in an additional equal amount as liquidated damages: *Provided*, That such liquidated damages shall not be allowed if it shall appear by a preponderance of the evidence that the violation was not willful and that the employer acted in good faith: *Provided further*, That action to recover such wages, compensation, and damages may be instituted at any time within 2 years from the accrual of such liability in any court of competent jurisdiction, and may be maintained by any one or more employees similarly situated, or such employee or employees may designate an agent or representative to maintain such action for and in behalf of all employees similarly situated: *Provided further*, That the court in such action shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action: *Provided further*, That causes of action which had accrued prior to the passage of this act, and which had not become barred by any applicable statute of limitation may be maintained if commenced within 1 year after the date of enactment: *Provided further*, That no liability shall be predicated in any case on any action done or omitted in good faith in accord with any regulation, order, or administrative interpretation, or practice, notwithstanding that such regulation, order, interpretation, or practice, may, after such act or omission, be amended, rescinded, or be determined by judicial authority to be invalid or of no legal effect.

On page 29 strike out lines 1 to 8, inclusive.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Colorado as modified.

Mr. CORDON. Mr. President, the purpose of the modified amendment is to take the place of paragraph (b) of section 16 (a) of the original act, which is to be found on page 27 of the committee amendment, running over on to page 28; and to repeal section 12, which appears on page 29.

In order that the purpose of the amendment and its legal effect may be fully understood, I call attention to the fact that the committee recommended, in the committee amendment, language which in substance provided that anyone violating the Wages and Hours Act, either as to wages or as to hours, should be liable in the amount of the unpaid wages or for wages for overtime, plus an equal amount in liquidated damages, and then added the proviso that, however, in the trial of such a cause the court may, in its discretion, upon an affirmative showing by the employer that the violation was not wilfull and that he acted in good faith, reduce the liquidated damages in whole or in part.

The amendment which the Senator from Colorado has adopted as a modification of his amendment—and for his action in that connection I am deeply appreciative—provides, exactly the same as does the committee recommendation, down to the words "in whole or in part", with the following difference only: In the committee amendment, upon the trial of a cause, the court would have discretion to allow all or only part or none of the liquidated damages, if an affirmative showing were made that the employer had acted in good faith. I can see no reason for leaving open to discretion a decision of that character, after good faith has been affirmatively determined to the satisfaction of the court. If the employer has acted in good faith, then, as I view the matter, Mr. President, every employer who has acted in good faith should stand on the same level. If one should have double liability removed as to him, then all others standing in a similar position should have the same right and treatment.

My amendment provides that when the employer shows by a preponderance of the evidence that he acted in good faith, then he shall not be liable to the double or additional liability. But I call attention to the fact that that is an affirmative showing which must be made by the employer, and is not a burden to be carried by the employee who may be bringing the action for wages.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. FERGUSON. Is the pending amendment of the Senator from Colorado open to amendment?

The PRESIDENT pro tempore. The pending amendment of the Senator from Colorado, as modified, is an amendment in the first degree. The Senator from Colorado has asked unanimous consent to perfect his amendment, and has perfected it. Therefore, an amendment to his amendment is in order.

Mr. CORDON. Mr. President, I shall conclude my argument, and then at the appropriate time I shall address myself to suggestions regarding amendments.

I have been discussing the difference between the amendment now pending and the amendment proposed by the committee as to the question of the amount of wages and overtime and liquidated damages which are collectible, the only difference being that although the committee amendment provides that, as to liquidated damages, the court may allow all or part or none, according to the amendment now proposed, if good faith is shown, no additional or liquidated damages may be allowed.

Mr. President, in the committee amendment there is a provision for a 2-year statute of limitation; under the committee amendment the action must be brought within 2 years after the cause arises. In the amendment now under consideration, the same 2-year provision is applicable; there is no change in that regard. In both cases the action may be brought by an employee or by more than one employee or by an agent for all employees similarly situated. In both amendments the court is allowed to award to the plaintiff a reasonable attorney's fee, as well as costs which follow the action, of course.

Then, Mr. President, the amendment now under consideration differs markedly from the committee amendment, and I ask all Senators who are interested in the matter to pay particular attention to the portion of the amendment which I am now discussing. The amendment now under consideration reads as follows, after providing for attorney's fees to the prevailing party or to the plaintiff:

Provided further, That causes of action which had accrued prior to the passage of this act—

Or this amendment—

and which had not become barred by any applicable statute of limitation may be maintained if commenced within 1 year after the date of enactment.

In other words, under the amendment now under consideration, actions which may be brought upon causes which already have accrued and which have been accruing since 1938 must be commenced within 1 year after the adoption of this amendment.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HAWKES. Does that mean that there will be 1 year from the time the statute is enacted, regardless of how much time may have run before, in which suit may be brought?

Mr. CORDON. It means, Mr. President——

Mr. HAWKES. I wish to be sure the Senator understands my question.

Mr. CORDON. I think I do.

Mr. HAWKES. Suppose there are only 6 months left after the law is enacted. As it stands, there will be a full year within which to bring suit.

Mr. CORDON. Mr. President, under the terms of this amendment, for a period of 12 months from the enactment of the law, any employee may come into court and may bring an action on any liability created in his favor under the Wages and Hours Act which has not at that time been already barred by some applicable statute of limitations; and if there be none, his right may conceivably go back to 1938.

This proposal merely provides that whatever right the person has at the time the act goes into effect must be exercised in the courts within 12 months, if such right was existing at the time the amendment was enacted.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HICKENLOOPER. From a hurried review of the provision to which the Senator refers, it seems to me that this proposal would, in effect, limit the period which is now, I believe, 5 years. Am I correct about the 5 years?

Mr. CORDON. One of the very grave questions which now face employers and employees all over the country is, What statute of limitations is applicable? No one knows.

Mr. HICKENLOOPER. What I wish to have made clear in my mind is this: In an action which has heretofore accrued and, let us say has run up to the last 10 days of its total period on the date of the enactment of this amendment, the amendment would automatically extend the period for almost a year after the time had normally expired if no such amendment had been enacted.

Mr. CORDON. That is my understanding of the legal effect of the language.

Mr. HICKENLOOPER. Providing only that the cause of action had not already expired under the statute prior to the date of the enactment of the proposed language.

Mr. CORDON. The Senator is correct. If the right of action had not been barred as of the date of the enactment of the amendment, the holder of the right of action would have an additional 12 full months in which to realize upon his action.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HAWKES. I thank the Senator for his explanation. As I understand, in some cases in which a cause of action has almost died, the individual will have extended rights which he would not ordinarily have as the law now exists. There may be other cases in which he would have a longer period than he would have if this proposal were not enacted into law. But, at the same time, we are standardizing the time in which those who have causes of action may bring suit in court.

Mr. CORDON. That is one of the major purposes of the amendment. It is an attempt to reach a clear understanding of what are reciprocal rights and liabilities of persons coming under the act, and to obtain a definite and final determination of such rights so that each party may know within what period of time he must exercise his rights.

Mr. HAWKES. I think the amendment is a very wise and fair one.

Mr. CORDON. The amendment is intended to give 12 full months after its enactment for the institution of actions which at that time had accrued.

The next proviso is that no liability shall be predicated in any case on any action done or omitted in good faith in accord with any regulation, order, or administrative interpretation or practice, notwithstanding that such regulation, order, interpretation, or practice may, after such act or omission, be amended, rescinded, or be determined by judicial authority to be invalid and of no legal effect.

The purpose of that proviso is to give an employer who has honestly tried to meet the requirements of the act, as the act has been interpreted by the Administrator and under the regulations promulgated by the Administrator and under the practice adopted by the Administrator, his clearance from any liability even though afterward the Administrator changes his mind, or the court finds that the Administrator was wrong in his interpretation. The proviso puts a premium on good faith and honest effort, and refuses to penalize good faith and honest effort if, as a result of a subsequent decision of a court the practice which has been indulged in in accordance with the Administrator's interpretation and regulation is determined to be invalid.

Mr. President, the reason this provision is a part of the amendment is this: The Fair Labor Standards Act, as it was enacted in 1938, did not contain, and does not now contain, any language defining what is meant by a workday or a workweek in the matter of actual hours. No one, be he an employer, an employee, or administrator, knows today what the act means in that regard. The matter becomes important and very pertinent at this time because, throughout the war period, and particularly in the lumbering areas where lumber operators were endeavoring to meet the terrific war demand, they were required to use housing facilities wherever they could be found in order to take care of the housing requirements of the workers. The workers would be transported from available houses located sometimes in little towns or cities, miles out where the work was performed in the woods and in the mills. In the vast Pacific Northwest those workmen were almost always men who belonged to groups of organized labor. They received wages far in excess of the minimum rate of wage. As nearly as could be understood, their hours were in accord with the Fair Labor Standards Act. But, in order to perform the work which it was necessary to perform in connection with the lumbering operations, men were transported to the woods. The time required to do that might entail as much as half an hour or an hour, and then the men later would be transported back from the woods. In the bargaining contracts which were made, neither side took the view that travel time was a part of the work time. Neither the employer nor the employee so understood, and the contracts which were entered into were lived up to in every respect. The Office of Price Administration put the prices on the products of the mills, based upon those agreements, and wages were paid under them. The Government of the United States renegotiated those contracts upon that basis.

Mr. President, the war is now over, and today actions are pending in the Federal courts the purpose of which is to reach a determination as to whether, during all those war years, the employees were entitled to time and a half for the period which they spent in traveling to and from their homes.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. FERGUSON. I am interested in this amendment because I have an amendment which I intend to propose to the bill in the form as reported by the committee, and the amendment would apply along the lines now being argued by the Senator from Oregon.

I wish to propound to the Senator a question. I ask him whether he feels rather certain that the amendment now pending is sufficiently broad to cover everything that has taken place during the past. I will state a hypothetical case.

In Michigan some truck drivers believed they were covered by virtue of section 13 (B) (1) of the act which provides that overtime provisions—

> Shall not apply with respect to any employee with respect to whom the Interstate Commerce Commission has the power to establish qualifications and maximum hours of service, pursuant to section 204 of the Motor Carriers Act of 1935.

Relying upon such a provision, the truck owners—that is, the common carriers—made contracts with their various employees for 48 hours a week, and they proceeded to carry out the terms of those contracts. They now find that, by virtue of a decision of the Supreme Court on January 28, 1946, and because of a circuit court of appeals case, and also a district court case, they would be liable for those overtime payments.

Does the Senator believe that kind of a case would come within the section he has now been discussing?

Mr. CORDON. Mr. President, the Senator from Oregon cannot offer any opinion as to whether the facts would or would not come under the section. The section does set up standards by which a court can at least consider that matter, and determine whether the travel time was or was not in accord with a regulation or interpretation or practice of the Administrator, and assuming that otherwise liability would exist.

Mr. FERGUSON. Mr. President, I realize that under this provision the truck owner would be compelled to prove he acted in good faith.

Mr. CORDON. That would relate to the liquidated damages only.

Mr. FERGUSON. Is that not true under the last proviso, lines 18 to 24, inclusive?

Mr. CORDON. Yes. The Senator means that the owner acted in good faith, in accordance with the regulations, and so on. That is correct.

Mr. FERGUSON. Suppose a case where the Administrator believed it came under a regulation, and therefore made no regulation. Is the amendment sufficiently broad to cover that kind of a case?

Mr. CORDON. In my opinion it is not sufficiently broad to do that, and I think the drafter of the language did not intend it should. There has been no intention, in the drafting of the amendment, to take away from any employee any right accruing to him up to the time the bill will take effect. If he has a right and it is vested, all the amendment does is to limit the period within which he may exercise it, and to limit his remedy to the extent that where good faith is shown, or reliance upon administrative practice, rule, or regulation is shown, that may either minimize or completely obviate the right.

Mr. FERGUSON. Am I to understand that the provision beginning in line 17 and continuing to line 24 would take away the right of an employee provided the employer acted in good faith under a regulation, order, interpretation, or practice of the Administrator?

Mr. CORDON. What is the Senator referring to?

Mr. FERGUSON. I am referring to the last "Provided further," lines 17 to 24, inclusive. Would not that take away the right of an employee, provided the employer acted in good faith in accordance with a regulation, order, interpretation, or practice?

Mr. CORDON. That would not give to an employee the right to go into court and claim any wages, overtime, or damages against an employer who acted under rulings.

Mr. FERGUSON. And so acted in good faith?

Mr. CORDON. That is correct, and that is limited to regulation, interpretation, or practice on the part of the Administrator, and to compliance therewith on the part of the employer.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. MAGNUSON. I wish to ask a question. In 1938 Congress passed a Fair Labor Standards Act, after due deliberation for the protection of the worker, the employee. If the Senator's amendment shall be agreed to, and an employer, acting in good faith, finds that he has violated the act, but in good faith, would the Senator's amendment cut out the provision for liquidated damages in such a case?

Mr. CORDON. That is correct, but it would leave the overtime or the wages, as the case might be.

Mr. MAGNUSON. Who would then suffer, the employee, or the employer?

Mr. CORDON. Neither would suffer, in that the employee would have gained his money for the time that he worked overtime, and the employer would not be mulcted or penalized in double that amount for a thing he did not intend to do.

Mr. MAGNUSON. Under the Senator's amendment the court would in whole or in part, as I read it——

Mr. CORDON. No, the Senator's amendment does not give the court any power to grant any part of the liquidated damages if the employer proves by a preponderance of the evidence that he was honest and acting in good faith in what he did, and he carries that burden of proof.

Mr. MAGNUSON. Then, I repeat my question. The Senator says the employee would not suffer. The proposed act is for the protection of the employee. Why would not the employee suffer?

Mr. CORDON. If the Senator from Washington were to ask whether this amendment would give the employee as much as he had without it, rather than ask whether he would suffer or not, perhaps the answer would be different. Under the amendment the employee would get his time and a half overtime, if he had it coming, he would get the costs of his action, and he would get his attorney's fees; but he would not get twice that amount. As I understand, the theory of the law is that the judgment is in the nature of a punitive legal act. It is intended to punish an employer, and personally the Senator from Oregon cannot go along with any doctrine that says a man shall be punished in such a case for a thing he did not intend to do, and would not have done had he known it was wrong, or not in accordance with the law, particularly when the administrator of the act himself does not know.

Mr. MAGNUSON. I understand that, but after all, I still return to the question. The proposed act is for the protection of the employee, but under the Senator's amendment as I read it, on page 2, line 18, it is provided:

> *Provided further*, That no liability shall be predicated in any case on any action done or omitted in good faith in accord wit! any regulation, order, or administrative interpretation, or practice, notwithstanding that such regulation, order, interpretation, or practice may, after such act or omission, be amended, rescinded, or be determined by judicial authority to be invalid or of no legal effect.

That includes unpaid wages, overtime, and any other compensation to which the employee may be entitled under the act, although the employer, in good faith, did not believe he was doing wrong.

Mr. CORDON. What is the Senator's question?

Mr. MAGNUSON. The Senator said the employee would not suffer; he said he would be paid.

Mr. CORDON. The Senator is referring to another part of the section. The first provision the Senator discussed was at the top of the page. Now he is at the bottom, and I shall be glad to discuss that with him.

Mr. MAGNUSON. It provides for what results in case of a violation of the regulation in good faith.

Mr. CORDON. They are two different places. I did not follow the Senator's discussion, because he first discussed the provision at the top of the section, and then discussed the proviso at the bottom. They are different.

Mr. MAGNUSON. Perhaps the Senator did not understand, and can explain to me the meaning of his proviso.

Mr. CORDON. The Senator from Oregon will not enter into a discussion as to whether he does or does not understand it. He prepared it, and he is willing to give to the Senator his best judgment on it, if he has judgment on it.

Referring to the question of the Senator from Washington as to the proviso at the bottom of page 2, that proviso in effect says that a workman who has been employed for a certain period of time, and perhaps during that time had been hauled to and from his work and a number of hours of time had accumulated when he had been hauled to and from his work, after a lapse of time the Administrator may bring an action in the court complaining that those hours used up in travel were actually work hours, and the court might sustain the Administrator's claim or deny it. We do not know what the court might do, because it has not done either yet, although the act was passed in 1938.

If the court sustains the claim, then, nevertheless, the liability would not exist in behalf of the employee, if his employer during that time had had from the Administrator a regulation saying that the travel time was not work time, or an interpretation of law saying that, or that his practice in similar cases had been to that effect. That means that if the employer had relied upon the only official in the United States on whom he could rely until the court determined the question—namely, the Administrator—and if then the Administrator was found to be wrong, the employee could not, so to speak, mulct the employer, inasmuch as the employer relied on the act of the Administrator.

Mr. MAGNUSON. Then in that case the employee could possibly receive no amount at all. In other words, no liability at all would exist under the act.

Mr. CORDON. That is true. That is the purpose of it.

Mr. MAGNUSON. Therefore the act, which is for the protection of the employee, would be in effect null and void in those cases.

Mr. CORDON. With respect to that matter the act would not create a liability against the employer and a right

in favor of the employee. I do not know whether it does now or not, and I cannot find anyone who does, including the Administrator.

Mr. President, I have covered the general provisions of the amendment, and I urge its adoption as being in the interest of equity and because it is fair both to the employer and the employee.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. AUSTIN. I should like to ask a question to clear up some doubt which I have concerning what the author of the amendment intends. I notice that in line 8 occurs the following language:

and in an additional equal amount as liquidated damages.

Did the Senator designedly choose the words "liquidated damages" in order to avoid the use of the word "penalty"?

Mr. CORDON. Mr. President, the language in question was copied from the appropriate section of the Fair Labor Standards Act, as being the language which had been enacted into law in 1938. I think it is unhappy language. I think "punitive damages" would have been more expressive.

Mr. AUSTIN. I not only think it is unhappy, but it is completely out of line with the history of our jurisprudence for endless time.

Mr. CORDON. I am in agreement with the Senator from Vermont. I endeavored in this amendment to keep as closely as possible to the established law which has been on the books since 1938, and to undo only those things that seem to me to result in injustice and inequity.

Mr. AUSTIN. Perhaps we might make a record here. Does not the Senator, as a lawyer, believe that if ever this provision came to issue in court, the court, after examining it, would say, "Why, you cannot have liquidated damages without a previous agreement between the parties that the damages shall be of a certain amount, so that the court will not have to pass upon them, and so that there will not be any question of liability both parties agree to be held?"

In this case, the parties not having agreed, and there being no provision in the law for making them agree, but the law laying its heavy hand upon them and saying, "You shall be liable for an additional sum as damages," would the Senator, as a lawyer, say that notwithstanding they were designated as liquidated damages, they were in law and in fact penalties?

Mr. CORDON. There can be no question about that at all. I am in entire agreement with the distinguished Senator from Vermont.

Mr. AUSTIN. The court would have to say that, notwithstanding that Congress had tried to say something different. And in that event would the Senator say that the penalty would be regarded as a forfeiture from which the defaulting party could be relieved?

Mr. CORDON. Generally speaking, that is correct, as I understand it.

Mr. AUSTIN. If they were liquidated damages in fact, the defaulting party could not be relieved. Is that not correct?

Mr. CORDON. The very purpose of the liquidation of damages is to determine the amount and its certainty in advance.

Mr. FERGUSON. Mr. President, I offer an amendment to the amendment of the Senator from Colorado [Mr. JOHNSON] as modified, and ask unanimous consent to read it into the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FERGUSON. My amendment is line 10 of the Johnson amendment, as modified, after the words "liquidated damages" to insert "and unpaid overtime accrued prior to the effective date of this act to any employee with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours of service pursuant to section 204 of the Motor Carriers Act of 1935."

Mr. President, my reason for offering that amendment is that I am of the opinion, after asking questions of the Senator from Oregon in relation to the provision of the amendment of the Senator from Colorado in lines 17 to 24, that the amendment does not include the provision I have in mind.

Mr. President, it appears that the Fair Labor Standards Act of 1938, among other things, provided for the payment of time and a half for all hours worked beyond 40 hours in any workweek. However, certain exemptions from the operation of this provision were granted to motor carriers by section 13 (b) (1) of the act which provides that overtime provisions "shall not apply with respect to any employee with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours of service, pursuant to section 204 of the Motor Carrier Act of 1935."

In reliance upon this exemption and in view of the fact that they were under the control of the Interstate Commerce Commission in the matter of maximum hours of service of their employees as well as their system of accounting and cargo insurance, the cartage industry paid time and one-half only in compliance with their collective-bargaining agreements had with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, A. F. of L. With few exceptions, the industry pays time and one-half for hours worked over 48.

Mr. President, I have a telegram from the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, Local 299, James R. Hoffa, President, from Detroit, Mich., showing how the union itself, which made these contracts, feels about this situation. The telegram is as follows:

Am strongly in favor of any efforts made on behalf of cartage companies to free themselves from the backlog of liability for unpaid overtime and liquidated damages under Fair Labor Standards Act. Have full realization of effect on companies if not relieved. Desire all to be done which will assist companies.

The exemption from section 7 of the Fair Labor Standards Act granted the motor-carrier industry, as well as other forms of transportation, was enjoyed by local cartage operators, in good faith, until very recently. At that time the Wage and Hour Administrator approved the commencement of actions against local cartage companies, which sought to enforce compliance with section 7 of the act on the theory that such local cartage companies were "engaged in the production of goods for commerce" as set out in section 7 (a) of the act. Any claimed violation of the provisions of section 7 of the act must be predicated upon a showing by the Administrator that a cartage company's employees are engaged either in commerce or in the production of goods for commerce. Significantly, these actions do not allege that cartage company's employees are engaged in commerce, for then such employees would be exempt from the coverage of section 7 of the act because they would then come within the coverage of employees with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours. This unmistakable effort to bring cartage companies within the ambit of the act has now led, logically, to the complete confusion of the industry. How a mere carrying for hire, from one place to another, is engaging in the production of goods for commerce is beyond anything Congress ever intended when it passed the act of 1938.

The United States Supreme Court has recently handed down decisions in the Roland Electrical Co. case, decided January 28, 1946, in the Michigan Window Cleaning case, decided February 4, 1946, and in the White Plains Publishing Co., Inc., case, decided February 11, 1946, which lend considerable support to the Administrator's position as taken against local cartage companies—so much so that on February 11 in the United States Circuit Court of Appeals for the Sixth Circuit the Administrator was sustained on an appeal by the Griffin Cartage Co. of Detroit from a judgment of the United States District Court for the Eastern District of Michigan, which held that the Griffin Cartage Co. was in violation of the overtime provisions of the act and ordered it to comply therewith. The circuit court in a very short opinion gave as the entire basis for its decision the decision of the United States Supreme Court in the Roland Electrical Co. case, namely, that the cartage company was engaged in the production of goods for commerce and that, therefore, such employees are not exempted from the requirements of the act under section 13 (b) (1) thereof. These decisions have clearly stripped from the cartage companies the exemptions from the overtime provisions of the act which they heretofore thought they had and leave the cartage industry wide open to innumerable employee suits for back wages based on a claim for time and one-half for hours worked over 40 in any workweek.

In view of the reasoned efforts of the Administrator to curtail the rights of local cartage companies to an exemption from the overtime provisions of the Fair Labor Standards Act and in trepidation of the Court's decisions, the industry has

endeavored, through amendment to Senate bill 1349, to free itself. That is the reason for offering this amendment.

Mr. President, unless this amendment can be adopted, it is apparent that not only in Michigan, but in other places, the small cartage companies, as well as the large ones, will be faced with ruin. It is for this reason that even the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, A. F. of L., realizing that in good faith it had entered into negotiated contracts during the war, when those services were needed, to work 48 hours a week, feel that if suits were now brought for damages they would ruin those companies. I can only cite a few cases which have been brought to my attention.

For example, one man has been in the cartage business for 20 years. He finds himself with assets of only $2,000. The backlog of liability would be $18,000. Are we going to allow men to be put out of business when in good faith they contracted through unions, who represented the employees?

Another case is that of a man who is worth probably $20,000. He now finds himself faced with $75,000 liability under the act as it now stands.

I hope the Senate will see its way clear to adopt this amendment, so that these men all over the country may be free from a liability which was never contemplated by the act. Under the stress of war a 48-hour week was essential, and no one thought that the employees came under this act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. FERGUSON] to the amendment offered by the Senator from Colorado [Mr. JOHNSON], as modified.

Mr. BARKLEY. Mr. President, I should like to inquire of the Senate whether there is any likelihood that we can vote finally on this bill tonight, and how many other amendments may be offered, so that I may determine whether it is worth while to sit here longer to try to conclude consideration of the bill tonight. Are there any further amendments to be offered?

Mr. THOMAS of Oklahoma. Mr. President, several days ago I submitted an amendment, which was printed and now lies on the table. It is in the nature of a new section to the bill. I could not press the amendment until the main amendment had been agreed to. It is now in order. I desire to obtain the floor. Some time will be required to explain the amendment. It is important to the South as well as to New England, because it affects the cotton mills of New England as well as the cotton producers in the southern part of the United States.

Mr. WHITE. Mr. President, I have no information about amendments to be offered, but within the past half hour one Senator has indicated that he has a desire to speak for rather a substantial time. I do not know what that means.

Mr. BARKLEY. That might depend upon the identity of the Senator.

Mr. WHITE. I am not going to expose him. [Laughter.]

Mr. BARKLEY. Mr. President, I am not willing that the Senate shall remain in session until it gets itself into the posture it occupied last night in an effort to conclude consideration of the bill, and then have the bill go over. If we cannot conclude consideration of the bill within a few minutes, I feel that we need not remain here longer.

It is very important that we dispose of this legislation. Today I reported from the Committee on Banking and Currency the veterans' emergency housing bill, upon which depends the success of the program to try to build houses for veterans during 1946 and 1947. Nineteen hundred and forty-six is rapidly passing by; and if we are to approach the program which has been suggested for 1946 we must begin pretty soon. We cannot begin until the legislation is enacted.

I would be willing to have the Senate meet tomorrow to try to dispose of this bill and other matters which need to be disposed of so that we may clear the calendar for the consideration of the housing legislation which I mentioned. I realize the difficulty of getting anywhere on Saturday. Yet if we are to conclude our legislative program and make it possible for Congress to adjourn at any time near the date which I have had in my mind, we must get down to our knitting and we must work to some extent on Saturdays. I do not wish to force a session of the Senate tomorrow if it is not convenient, but I should like to ascertain the wishes of Senators so that I may be governed accordingly in any motion I may make.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TUNNELL. If the Senator will tell us that we are to remain in session 6 days a week, I will stay with him until Saturday night each week. But not knowing that it was possibly the desire to have a session tomorrow, I have made other arrangements for this week end, and I simply cannot stay.

Mr. BARKLEY. Mr. President, every time I have been bold enough to suggest that we meet on Saturday, Senators plead with me not to have a session on Saturday. Being a weak man, I usually yield, and the Senate adjourns until Monday.

I do not like to warn Senators that we must meet every Saturday. It depends altogether upon the state of the business. However, I believe that we ought to make up our minds that from now on we should hold ourselves available to be in session 6 days each week, because legislation is piling up, and important matters are coming before us for consideration. A great deal of legislation will be before us besides appropriation bills, which, of course, must be passed by the 1st of July.

I am willing to abide by whatever the Senate wishes to do about meeting tomorrow, because I have not given notice that we would try to hold a session tomorrow. The pending bill has been under consideration for 3 weeks. It has dragged along like a whole parade of snails. Here we are now at the end of the third week. What does the Senate want to do? I should like to hear; I should like to have an "experience meeting" here.

Mr. WHITE. Mr. President, the Senator is looking in my direction. I am a very significant part of the Senate——

Mr. BARKLEY. Oh, Mr. President, the Senator from Maine is much too modest.

Mr. WHITE. But I agree with the Senator's analysis of the situation.

Mr. BARKLEY. What is it? [Laughter.]

Mr. WHITE. The Senator from Kentucky has suggested that action on the pending measure has been dragged out and that progress has been slow. As the Senator from Kentucky has suggested, it is necessary that progress be made and that legislation be enacted. So far as I am concerned, I am willing that there be a session tomorrow. I hope it will be possible to conclude action on the pending measure tomorrow.

In addition, there is a piece of legislation in which I understand the Senator from Rhode Island [Mr. GREEN] is very much interested, and there is a conference report in which the Senator from Colorado [Mr. JOHNSON] is very much interested. If it is agreed to have a session tomorrow, I hope it will be possible to dispose of the pending bill then, and also of the two other measures to which I have referred.

Mr. BARKLEY. Mr. President, I do not like to force the holding of a session tomorrow on the pending measure, inasmuch as the Senator from Delaware will be compelled to be absent. He is in charge of the bill and he is standing on the bridge from which all but him have fled. [Laughter.] I do not like to blow the bridge out from under the Senator from Delaware.

I wonder whether it would be possible for us to have a session tomorrow to dispose of the Petrillo matter and also the soldiers' voting bill, and to agree as to some hour on Monday when the Senate would vote on the bill now pending and on all amendments thereto. Would it be possible to reach an agreement of that kind?

Mr. WHITE. It could be reached with me.

Mr. BARKLEY. Mr. President, I shall be bold enough to suggest it, and to request unanimous consent that on tomorrow the pending bill be temporarily laid aside, in order that we may take up the conference report on the Lea bill, better known as the Petrillo bill, and also possibly the measure in which the Senator from Rhode Island is interested; that the pending bill be laid aside until Monday, and that an hour on Monday be fixed on which the Senate shall vote on the pending bill and all amendments thereto. I would suggest that it be at 2 o'clock on Monday. Would that be agreeable?

Mr. MAGNUSON. Does the Senator from Kentucky believe that 2 o'clock would be the proper time?

Mr. BARKLEY. I was going to suggest that the vote be taken at 1 o'clock.

Mr. MAGNUSON. Mr. President, I shall wish to discuss the Cordon amend-

ment or, as perhaps I should say, the amendment of the Senator from Colorado [Mr. JOHNSON] as modified, and I know that other Senators will wish to discuss it. In addition, the Senator from Oklahoma has a matter which he wishes to discuss. I do not know how long he will discuss it.

If the hour were set for 3 o'clock or 4 o'clock on Monday, I am sure we could conclude by that time.

Mr. BARKLEY. If we fix the hour as 4 o'clock, we might as well make it the whole day.

Mr. President, it may be that 1 day does not make a great deal of difference in connection with the housing program, but I hope it will be possible to pass the measure quickly. There is no way of telling how long its consideration will take. For instance, we thought we might conclude action on this measure by 7 or 8 o'clock last night, but each new day bringeth forth a fresh crop of amendments. [Laughter.] I am not complaining about it; I am merely stating the fact.

Mr. President, I ask unanimous consent that when the business of the Senate is concluded today, the pending bill be temporarily laid aside until Monday, and that at an hour not later than 3 p. m. on Monday the Senate proceed to vote on the bill and on all amendments thereto.

The President pro tempore. Is there objection?

Mr. MORSE. I object.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GREEN. I heartily approve of the suggestion to hold a session tomorrow to take up the soldiers' voting bill. All the services are agreeable to having it passed, as are the secretaries of state of the various States. I think that measure can be disposed of quite shortly, and I hope we shall convene at an early hour tomorrow, so that perhaps we may conclude the session early in the afternoon.

Mr. BARKLEY. Mr. President, under the circumstances I think we might continue for a while tonight, and see what we can do.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. FERGUSON] to the amendment offered by the Senator from Colorado [Mr. JOHNSON], as modified.

Mr. TAYLOR. I ask for the yeas and nays——

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MAGNUSON. Are we about to vote on the amendment of the Senator from Colorado, as modified by the amendment of the Senator from Oregon, or are we merely about to vote to incorporate the amendment of the Senator from Michigan in that amendment?

The PRESIDENT pro tempore. The parliamentary situation is as follows: The Senator from Colorado [Mr. JOHNSON] accepted the amendment of the Senator from Oregon [Mr. CORDON] as his own. The Senate is now about to vote on the amendment of the Senator from Michigan [Mr. FERGUSON] to the amendment of the Senator from Colorado, as modified.

The amendment to the modified amendment was agreed to.

The PRESIDENT pro tempore. The question now recurs on agreeing to the amendment of the Senator from Colorado, as amended.

Mr. MAGNUSON. Mr. President, I rise in opposition to this amendment. I shall not take much time in presenting my views.

The present law provides for liquidated damages. There is good reason for that. The amendment of the Senator from Oregon, which has been adopted or accepted by the Senator from Colorado, would abolish liquidated damages in cases in which the employer showed good faith.

The purpose of the Fair Labor Standards Act, as has been made clear by the Supreme Court on many occasions, of course, is not to punish the employer, but to give compensation to the employee. The Court has pointed that out in many cases.

I asked the Senator from Oregon sometime ago who would suffer in case an employer unwittingly violated this act and if action were brought by an employee for damages which were rightfully his under the act. Of course, the employee would be damaged if he was not able to secure such damages.

The Senator from Oregon is attempting to change the act as it now stands. He referred to the committee's proposed amendment. I may point out to the Senate that the only reason why the committee proposed an amendment along the lines suggested by the amendment of the Senator from Oregon, was that under the original committee bill the coverage of the act was extended to a great many other persons and businesses, and therefore in the confusion incident to establishing new regulations and administration in respect to the new coverage, there might be some cases in which the employer unwittingly would violate the act because he did not know that he came under its provisions.

But since the adoption of the Ellender-Ball amendment, there is to be no new coverage under the act. In other words, the employers who were under the act from 1938 on, are still the only ones who will come under it. All employers employing labor in this country today know whether they come under the Fair Labor Standards Act or not. It would be rare indeed if they did not know it at this time.

In the beginning there was confusion, and the purpose of the committee amendment was to protect the employer in the initial period of the operations of the act, if the coverage were extended.

There is a second good reason why the amendment of the Senator from Colorado should not be adopted.

Mr. CORDON. Mr. President, will the Senator yield with respect to his first point?

Mr. MAGNUSON. I yield.

Mr. CORDON. The Senator will agree with me, will he not, that at this late time no one knows about the applicability of the law with respect to the so-called travel-time matter. No one knows that yet, and cases for the purpose of determining it have recently been instituted. So there would appear to me to be one major unlitigated question, after all these years.

Mr. MAGNUSON. I may say to the Senator from Oregon that I am familiar with those cases. I believe that the Labor Department has made itself sufficiently clear as to what it thinks travel time means, and whether or not it comes under the act. But, there are employers who, probably honestly, have disagreed with the interpretation of the Labor Department. The matter has been in litigation for a long time, and in some cases no decision has been reached. The war caused a postponement of many of those cases, and many of them have yet to be decided. But there has been no confusion on the part of the administrators of the act in regard to what they believed to be its meaning. Any question which has been raised in that regard has been raised by the employers.

Mr. President, there is a second very important reason why double damages should not depend upon the willful character of the employer's conduct. Such an amendment would treat double damages as a penalty. But actions for recovery of penalties cannot be brought in State courts since the judicial code now provides that Federal courts have exclusive jurisdiction of all statutes for penalties and forfeitures incurred under the laws of the United States. If we made the question one for the court to decide as to whether or not the employer's liability was willful, liquidated damages would be in the nature of a penalty. Any damages for the violation of the act itself, if it was not willful on the part of the employer, would be in the nature of a penalty. Under the present law liquidated damages are not considered a penalty but as compensation. The Supreme Court has repeatedly so held in many cases, the latest being the *Brooklyn Savings Bank* v. *O'Neil* (69 U. S. Supreme Court, p. 895), and in the *Overnight Motor Company* (315 U. S., p. 572). In all those cases the Supreme Court held that it was not punishment to the employer, but compensation to the employee.

Mr. President, I want to leave the present law as it has been in effect since 1938. I sincerely hope that the amendment will not be adopted.

Mr. CORDON. I invite the Senator's attention to the fact that whatever the Supreme Court may or may not have said about compensation, the Congress of the United States in the Fair Labor Standards Act termed the penalty "liquidated damages."

Mr. MAGNUSON. Nevertheless, the interpretation of the law since 1938 by the Supreme Court is that such damages have been treated as compensation to the employee, and not punishment of the employer. The Senator's amendment would take that provision away,

and any damages assessed to the employee would be in the nature of a penalty under our own laws, and they could not be enforced in any State court. Every suit would have to be brought in the Federal court. I think, therefore, that the amendment itself strikes at the very heart of the enforcement of this act.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Colorado [Mr. JOHNSON] as amended.

Mr. TAYLOR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Austin	Hayden	Myers
Ball	Hickenlooper	O'Mahoney
Barkley	Hoey	Overton
Bilbo	Johnson, Colo.	Radcliffe
Bridges	Johnston, S. C.	Reed
Briggs	Knowland	Revercomb
Brooks	La Follette	Russell
Capper	Langer	Stanfill
Carville	McClellan	Stewart
Connally	McFarland	Taylor
Cordon	McKellar	Thomas, Okla.
Donnell	McMahon	Tunnell
Downey	Magnuson	Vandenberg
Eastland	Maybank	Walsh
Ellender	Mead	Wherry
Ferguson	Millikin	White
Gerry	Mitchell	Wiley
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murdock	

The PRESIDING OFFICER. Sixty-two Senators having answered to their names, a quorum is present.

Mr. CORDON. Mr. President, I shall take just a moment to explain very briefly to the Senators who have not been able to be present the last half hour or so just what amendment is pending, why it is presented, and what it is claimed to do in connection with the pending legislative proposal.

The Senate is now about ready to vote upon an amendment of the Senator from Colorado, who accepted a substitute offered by the Senator from Oregon which was thereafter slightly amended by the Senator from Michigan [Mr. FERGUSON]. The purpose of the amendment, Mr. President, is to provide that an employer who violates the Wages and Hours Act shall be liable to his employee in an amount equal to the unpaid wages or the unpaid overtime, and that in addition to that he shall be liable in an equal amount of liquidated damages, unless he can prove by a preponderance of the evidence that his violation was not willful and that he acted in good faith.

The amendment provides that an action to recover under that liability may be brought by any one employee or more than one employee, or by an agent for all similarly situated.

The amendment provides that the court shall allow reasonable attorneys' fees and costs to a plaintiff who prevails.

The amendment then provides that as to violations which occurred prior to the time the amendment was adopted, the statute of limitations shall be 1 year, or 12 months, from the date of the adoption of the amendment, in place of the 2 years, but it saves all the rights which the employees have as of the date of the adoption of the amendment, so far as the collection of wages and overtime is concerned, with this exception, that there will be no liability predicated on any action or omission to act which was in good faith by the employer, and which was in accord with any regulation, interpretation, order, or administrative practice of the administrator of the act, even though such regulation or order was thereafter rescinded, and even though a court might thereafter determine that the regulation in the first place was invalid and of no effect.

The purpose of the amendment is to clarify the present relationship between employer and employee and to give specific time within which finality may be had with reference to disputed claims which now exist, and which otherwise might go on interminably.

I hope the amendment will be agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, as I understand the amendment now proposed, if it can be proved that an employer did not pay his employee, even though he did it in good faith, then the employee gets nothing out of a suit he may file but the amount of the wages which he should have received. Is that correct?

Mr. CORDON. I could not hear the first part of the Senator's statement.

Mr. JOHNSTON of South Carolina. The only thing the employee would receive would be the amount of wages he should have received in the first instance. Is that correct?

Mr. CORDON. That is correct.

Mr. JOHNSTON of South Carolina. I desire to show wherein that would not result in justice to the employee. If the amendment should become a part of the law, the very teeth would be taken out of the proposed act for the reason that it would say to an employee, "You can work 1 year, 2 years, or 3 years, but you will not get from the employer what you should have received in the first instance. You will not get any interest on your money. You will not get anything for going into court and fighting the suit. You will not get anything for standing the chance of being fired on account of bringing the suit."

The purpose of the pending legislation is to enable the employee to collect from those who ought to pay him in the first instance. It may be well to adopt a part of the amendment, to apply for 2 years, but when there is taken away from the employees what may be called the teeth of the measure which would enable them to collect from the employers, then the effect of the act itself is weakened. I fear such action will result in great injustice to the employees.

Mr. MAGNUSON. Mr. President, I move to strike out section 10 of the committee amendment.

Mr. CORDON. Mr. President, I should like to have the Senate understand what would happen should the motion prevail. The motion is to strike out section 10 of the committee amendment. There would then be nothing left to amend, so far as the pending amendment of the Senator from Colorado [Mr. JOHNSON] is concerned. The purpose of the amendment is to strike out entirely even the 2-year limitation which the committee itself recommended in its reported bill. It would leave the matter wholly in the air, with substantially no yardstick, with no means or method by which there could ever be within a reasonable time any termination of all the controversies which now exist throughout the United States.

Mr. President, section 10 of the committee bill would amend section 16 (a) of the present act. It carries the 2-year limitation as amended by the committee. The motion of the Senator from Washington is to strike that section entirely from the bill, leaving the Fair Labor Standards Act without any limitation whatever on actions, either 1 year or 2 years or 3 or 4 years.

Mr. MAGNUSON. Mr. President, the Senator from Oregon has given his interpretation of what the effect of the motion would be. The motion merely means that the present section 10 (b) with the so-called penalty section of the Fair Labor Standards Act would stand as it is. It would not change the law. It would leave the law the same as it has been since 1938.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Washington [Mr. MAGNUSON]. [Putting the question.] The Chair is in doubt.

On a division, the motion was agreed to.

The PRESIDENT pro tempore. Sections 1 and 11 are now open to amendment.

Mr. TAYLOR. Mr. President, I have an amendment which I offer. Inasmuch as the Senate has agreed to the Russell amendment, which attaches parity to wages, I feeel that the farm workers of America are entitled to participate in the benefits. I voted against the Russell amendment simply because none of the farm organizations were behind it, and because testimony was presented that 10 percent of the farms of America produced 54 percent of the farm products, and, therefore, it seemed to me that it was a measure calculated—whether it would do it or not—to benefit the big farmer; so I voted against it, and also because the President had said that he would veto the bill in such case, and, further, because we had testimony that it would be inflationary. But inasmuch as it has been adopted, I believe the farm workers of America are entitled to participate in the benefits which will accrue to the farmers themselves. So I offer the amendment, which I send to the desk and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

Subsection (a) of section 13 of the act is amended by striking out the following: "or (6) any employee employed in agriculture."

Mr. TAYLOR. Mr. President, that means that the exception for agricultural workers would be stricken out, and they would be covered by the minimum wage.

On my amendment I ask for the yeas and nays.

Mr. RUSSELL. I should merely like to ask the Senator a question. That also would mean that the farmer would be placed on a 40-hour-week basis; would it not?

Mr. TAYLOR. Yes.

Mr. RUSSELL. Very well.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Idaho [Mr. TAYLOR], on which he has asked for the yeas and nays.

The yeas and nays were not ordered.

The amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The question now recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. THOMAS of Oklahoma. Is it now in order to offer an amendment proposing a new section to the bill?

The PRESIDENT pro tempore. The Parliamentarian advises the Chair it would not be, because the committee amendment is a substitute for the entire bill.

Mr. THOMAS of Oklahoma. Mr. President, I take the liberty of making my remarks on the bill. If I did not think that what I shall have to say was important, I certainly would not impose upon the Senate at this time of the day.

Mr. President, what I shall have to say relates in the main to the trend of this Government. I have before me a news article which appeared in the Washington Post of yesterday morning, as I recall. The article is by the Associated Press. The heading is:

"Secretary Anderson forced to sign cotton order."

Armed with an order compelling Secretary Anderson to sign on the dotted line, the OPA yesterday set up new controls it hopes will curb cotton-clothing price increases.

I exhibit to the Senate the first page of the Evening Star of last night, and I read from the first page this sentence:

Mr. Anderson signed the cotton-margin order yesterday after Mr. Bowles directed him to do so.

Mr. President, what is this all about? I shall undertake to answer that question. There is no authority of law anywhere on the statute books for any man in the United States to direct the cotton exchanges of the country to increase their margin requirements for the sale or purchase of cotton.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. Did I correctly understand the Senator to read from the Washington Star that Mr. Bowles, in his position, directed and ordered the Secretary of Agriculture, who occupies one of the oldest Cabinet offices in the Government, to sign an order?

Mr. THOMAS of Oklahoma. That is exactly what I said.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield for a question.

Mr. BARKLEY. Inasmuch as consideration of the bill has been concluded and no further amendments may be offered, would the Senator be willing to suspend until tomorrow and make his remarks tomorrow?

Mr. THOMAS of Oklahoma. No; Mr. President. I think I had better do it now.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. I ask the Senator if it is not true that one of the causes for the unpopularity of the OPA is that it stretches its authority over areas where it has no authority, and has come to be a symbol of tyranny and autocracy throughout the country?

Mr. THOMAS of Oklahoma. The Senator is exactly correct.

Mr. President, the war has now been over for approximately 8 months. We still have a de jure war, but not a de facto war. The only power that the Administrator of the OPA has is under the laws enacted by Congress. I invite the attention of the Senate to Public Law 729 of the Seventy-seventh Congress. This was approved on the 2d of October 1942. This is the authority for Mr. Bowles' action in seeking to raise the margin requirements for the sale or purchase of cotton to $50 a bale. This is the first line of the law:

That in order to aid in the effective prosecution of the war—

All the subsequent provisions of this law follow that first line—"to aid in the effective prosecution of the war."

Everyone knows that the war is over. Instead of Director Bowles trying to let up on his authority and power, he is now from day to day extending the power which he assumed.

Mr. President, I exhibit to the Senate the Revised Statutes of the United States. This is volume 2, No. 67. It was published this morning. Tomorrow there will be another volume of the Revised Statutes of the United States. This volume of the Revised Statutes of the United States contains 50 pages, mostly new legislation and legislation amended at the instance of the Economic Stabilizer, Mr. Bowles.

I exhibit first the order which Mr. Bowles has issued to the Secretary of Agriculture. If the Economic Stabilizer can issue an order to a Cabinet officer of the rank of the Secretary of Agriculture, he can issue an order to the Secretary of the Treasury. He can issue an order to the Secretary of Labor. He can issue an order to the Secretary of State. If he can order Mr. Anderson to do something, who is there in this country that he cannot order to do something?

On the 13th of March Mr. Bowles issued a release suggesting that he planned to order the cotton exchanges of the Nation to increase their margin requirements from what they then were to $50 a bale. That is a proposal to take over the management of the cotton exchanges. If he can take over the cotton exchanges he can take over the wheat exchanges, the corn exchanges, the lead exchanges, the silver exchanges, and any other exchanges in the United States.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. In taking over the cotton exchanges of the United States, as Mr. Bowles attempted to do, the purpose is to take over the whole cotton business. I feel certain that the distinguished chairman of the Committee on Agriculture and Forestry will make it clear that when the cotton exchanges are taken over the cotton farmer, the cotton ginner, the cotton merchant, the cotton exporter, and the cotton mills are all taken over, with the exception of those that have sufficient money to put up $50 a bale. The order will have no effect on the big firms in Worth Street. It will have no effect on some of the big cotton-mill interests in Connecticut. It will have no effect on the big cotton interests. I sincerely hope that the Senator will make explicitly clear that the cross-roads farmer, the cross-roads merchant, and the cross-roads ginner in Oklahoma, Virginia, and South Carolina will be taken over; and Mr. Bowles will do the same thing to the wheat interests when he gets a chance.

Mr. THOMAS of Oklahoma. The statement made by the Senator is exactly correct. The amendment which I have on the table, and which will be called up shortly, is an amendment which directly affects every cotton producer in the South. It affects every cotton ginner in the South. It affects directly every cotton compress in the South, and it will affect every cotton mill in the South. Likewise it will affect cotton mills in the New England States along the eastern seaboard.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. Is it not perfectly apparent that the purpose of this order is to force down the price of cotton? The scale is graduated, and the higher the price goes the heavier the requirement as to margins becomes. So it is perfectly palpable that the object of the whole order is to hammer down the price of cotton.

Mr. THOMAS of Oklahoma. That is admittedly the purpose of the order.

Mr. President, before the war came on cotton dealers could hedge their sales on the exchanges for $500 per contract of 100 bales. That was true at Chicago, New York, New Orleans, and wherever else a cotton exchange existed. When the war came on and the price began to fluctuate somewhat, the exchanges, on their own motion, raised their margin requirements. The Chicago Exchange raised its margin requirement to $10 a bale, so that a country merchant who desired to hedge on 100 bales of cotton had to put up $1,000 on the Chicago Exchange.

Perhaps they had more money in New Orleans—I do not know—but the New Orleans Board of Trade decided to raise the requirement to $15 a bale, so that if a country merchant desired to hedge 100

bales of cotton on the New Orleans market, or if someone wanted to buy 100 bales, the margin requirement was $1,500.

In New York, where perhaps the most money is, the Board of Trade raised the margin requirement to $25 a bale. That meant $2,500 to hedge or to buy a contract of 100 bales in New York.

Now Mr. Bowles comes along and says that these margin requirements are not sufficiently high and so as to keep the price of cotton from mounting he has issued an order that anyone who desires to sell or buy cotton on the exchanges must put up $50 a bale, or $5,000 per contract of 100 bales.

I can speak only for my State. My State is a great cotton-producing State. Oklahoma can produce 1,000,000 bales of cotton. When the farmer produces cotton and has it picked he fills his wagon or truck and takes it to the gin. The gin takes the cotton, removes the seed, and puts the cotton lint in a bale. The farmer then takes the bale of cotton and either sells it at the gin, on the ground, or takes it downtown to a merchant who is buying cotton, and the merchants who are buying cotton have an opportunity to purchase it. That is the only market the farmer has—either the gin, where he has his cotton ginned, or a country merchant in a small town. Imagine what kind of a market the farmers of the South will have if a margin of $50 is required. That means that before the cotton merchant who buys the farmer's cotton can hedge 100 bales—and I believe that is the smallest contract that can be hedged—he must put up $5,000 with the exchange before he can protect himself in the market.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I wish to remind the Members of the Senate that before any small cotton mill in the Carolinas or in New England or in Georgia or in Alabama can buy 100 bales of cotton to sell for future delivery, it likewise must put up $5,000. The result will be that all the small mills, all the small factories, all the small farmers, and all the small ginners will be wiped out.

Mr. THOMAS of Oklahoma. Mr. President, this is a real problem. What the Senator from South Carolina has just stated is correct.

This matter does not affect only the cotton farmer who sees his prices driven down cent by cent. It destroys the market for cotton throughout the South, because if the little merchant has to put up $5,000 in order to protect himself in the purchase of cotton, the chances are that he will not purchase cotton; he will go out of the cotton-purchasing business. On the other hand, if he decides to go into the business, and does not have $5,000 in his pockets, and he will have to go to the bank and say to the banker, "Mr. Banker, I want to go into the cotton business this fall. As I buy the cotton on the market, I will get the future price each morning and I will buy on that basis, and I will come in each night to report. I not only want money to buy the cotton, but I must have $5,000 to put up on the cotton exchange in order to protect myself in my hedges."

The banker will say, no doubt, that unless the merchant sells hedges against his purchases he will not loan him the money with which to buy the cotton; otherwise, the banker would be placed in the position of speculating upon the price of cotton.

So I maintain that the order of Director Bowles, if maintained and upheld by the courts, will destroy the cotton market in the South and everywhere else.

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. It will destroy all free enterprise in the South; there will be nothing left because, after all, our economy is a cotton economy.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. I do not wish to detain the Senator or to take up any of his time, but I ask whether he intends to discuss the effect which a similar order would have if extended to the grain markets. I wish to have the Senators from the Middle West know that, in feeding cattle, we operate on the same basis as do those who buy cotton.

Mr. THOMAS of Oklahoma. Mr. President, if Director Bowles can write an order and send it to the OPA and direct the OPA to issue it in regard to cotton, then he can go to the Secretary of Agriculture, Mr. Anderson, and direct him to approve a similar order in regard to some other commodity, and in that way he can take over any industry affecting agriculture in these United States.

Mr. WHERRY. Mr. President, what the Senator has said is correct, and that will affect the cattle feeders in the same way that it affects the men who process cotton. In other words, those of us who buy cattle to feed also buy corn on the market. We are required to put up a 10-cent margin, which amounts to $500 for 5,000 bushels. We put up the margin. Then, as corn moves along, we know what the corn will cost us.

If a similar order is applied to cattle feeders and if they are required to increase the margins, that will bring about an increase in the cost of operations in the cattle business.

Mr. MAYBANK. Mr. President, will the Senator from Oklahoma yield to me again?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. It would do the same thing with the Chicago Board of Trade. In fact, if Mr. Bowles can take this first step, he can take over everything. This is merely the beginning.

Mr. THOMAS of Oklahoma. Mr. President, I wish to have the RECORD show what is going on in this country. Congress did not create the position of Economic Stabilizer. Mr. Bowles does not hold his office as a result of any action by the Congress. His position was created by Executive order.

So here we have a man in these United States, never elected to any position, so far as I know—not even to the position of justice of the peace—here we have a man, elected to no position, who has the power of a dictator to dictate to the OPA, to dictate to the Secretary of Agriculture, and then with a political blackjack to make them sign on the dotted line.

That is not a figure of speech. I have talked to the Secretary of Agriculture. For 3 weeks he has held out against this order.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. The Senator said that Mr. Bowles has never been elected to any position. Does the Senator know that he is hoping to be? [Laughter.] Does the Senator know that he is a prospective candidate for Governor of Connecticut?

Mr. THOMAS of Oklahoma. Mr. President, it is currently said on the floor of the Senate, and especially in the cloakrooms, that he has higher aspirations than to be Governor of Connecticut or even Senator from Connecticut, and that he hopes the President of the United States will become so unpopular by the end of his term that he, Mr. Bowles, will be able to step into his shoes. That is rumor in the cloakrooms of the United States Senate.

Mr. President, this issue is not merely about margin requirements.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McCLELLAN. I have listened with a great deal of interest to the Senator's remarks and to those of other Senators regarding this matter. If Mr. Bowles is vested with the powers which he is now exercising, if that process is carried to its logical conclusion, there is no industry or no business in America which he cannot take over and regulate. Certainly, judging from what has been said, by virtue of this action he has become the dictator of the cotton industry of the United States and the potential dictator, at least, of all other agricultural commodities. If he can control the Department of Agriculture and control the prices of and regulate one phase of our economy, I see no reason why he cannot take over any other business or any other segment of the economy of this Nation and dictate the direction it shall take.

Mr. THOMAS of Oklahoma. The Senator is exactly correct.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LANGER. If Mr. Anderson held out 3 weeks, why could not he hold out longer? Mr. Bowles must have convinced him that the order was a good one.

Mr. THOMAS of Oklahoma. I cannot speak for Mr. Anderson; but I conferred with him in Albuquerque, N. Mex., about 10 days ago, and I conferred with him here in Washington, over the telephone, the morning of the day when he signed the order. He signed the order in the afternoon of that day. Although I cannot report exactly what was said, he led me to believe that he was against the order and that he would not sign it unless he had to. That is where the political blackjack came in, and that is what was used on Mr. Anderson, and it took that to do this job.

Mr. President, as I said a moment ago, this issue is not simply one in regard to margin requirements. This is not merely an issue over the prices of cotton. It is not merely an issue over the price of cotton cloth. Rather, this matter raises an issue with respect to the democratic processes of government, the processes of government under the Constitution of the United States. The Constitution of the United States provides for the establishment of three departments of government: First, the legislative; second, the executive; and third, the judicial. In the Constitution of the United States, the legislative department comes first, the executive department comes second, and the judicial department comes third. Of the approximately 4,000 words in the Constitution, Mr. President, 65 percent of them prescribe the duties and powers and limitations upon the Congress, the policy-making branch of the Government. Next, a small percentage sets forth what the executive may do, and the remaining words relate to what the judicial branch may do.

I contend that the Congress is the policy-making branch of the Government and that there is no other policy-making branch, unless the Congress sits supinely by and lets a dictator, as we now have one in an assumed form, tell the people what to do and when to do it.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD at this point the preliminary notice which Mr. Bowles issued to the OPA.

There being no objection, the notice was ordered to be printed in the RECORD, as follows:

COTTON MARGINS

The Office of Economic Stabilization moved today to check speculative increases in the price of raw cotton and protect the joint OPA-CPA program to boost clothing production.

Chester Bowles, Director of Economic Stabilization, instructed the Office of Price Administration to prepare an order raising margin requirements on cotton futures purchases to a uniform level higher than the margins now required by the New York, New Orleans, and Chicago markets.

The uniform initial margins will be $10 a bale. When the price at which a transaction is entered into exceeds 25 cents a pound, the margin shall be $10 a bale additional for each 1 cent or portion of a cent of the excess. The new margins will be applied to the transactions to which they now are specified by the exchanges. Hedging and straddling transactions will not be affected by the regulation which OPA will issue.

Current margin requirements are $10 a bale in Chicago, $15 in New Orleans, and $20 in New York. The New York exchange advances the margin to $25 a bale when the price exceeds 27 cents a pound.

In directing CPA to require higher margins, Mr. Bowles said:

"Voluntary action has been taken by some of the cotton exchanges to curb speculative buying. Last week representatives of the exchanges came to Washington to discuss the need for further increases in margins. However, the proposal made by this office and OPA at that meeting, which was presented to the directors of the various exchanges, has been rejected.

"This is unfortunate. The price of cotton has risen sharply over the last 4 months and is now several cents above parity. OPA last week announced increases in cotton-textile prices which will in the aggregate total a quarter of a billion dollars. A substantial part of this increase is necessitated by the increase which has occurred in the price of cotton. If further increases occur in cotton prices, further increases in textile and in clothing prices will undoubtedly follow. The stabilization program cannot withstand a further rise in clothing prices of any substantial proportions.

"At the same time, every possible effort should be taken to protect textile-mill operators against a squeeze between speculative increases in costs and ceiling prices on their products.

"In this situation, I have no choice but to employ and exhaust all the legal means at my command to stabilize cotton prices. Everyone recognizes the tremendous difficulties inherent in the establishment and enforcement of ceiling prices for raw cotton. We consider that step as the last and least desirable alternative. Short of that the readiest means of reducing the unwarranted and at this time definitely harmful speculation in the cotton prices, is an immediate and substantial increase in the margin requirement of the cotton exchanges.

"Accordingly, I have directed the Office of Price Administration to increase those requirements."

Mr. THOMAS of Oklahoma. Mr. President, that order is a preliminary statement. It is a statement that he will do so and so. He ordered the OPA to prepare an order and put it into effect. At that time, no doubt, Mr. Bowles thought that the Secretary of Agriculture would approve the order. Last year when the OPA was extended, the Senate did its part in bringing about the extension. A bill finally went to conference. The Senator from Alabama [Mr. BANKHEAD] was a member of the conference committee. The Senator from Alabama, acting in behalf of the Senate in rewriting the extension measure, placed in the bill the positive injunction that nothing should be done affecting agricultural commodities unless upon the written order of the Secretary of Agriculture. A provision was placed in the bill insuring that no agency of Government, or any person, not even the President of the United States, had any authority to do anything with respect to the price of agricultural products unless the order covering the matter was signed by the Secretary of Agriculture. That is the law today.

Mr. President, following the preliminary notice which was issued by Mr. Bowles, the order was issued. The exchanges refused to accept the order. The Chicago Exchange said in effect, "No; we will not accept the order or raise our margin requirements." The New York Board of Trade said in effect, "We will not accept the order. We are requiring $25 a bale for margin requirement." The New Orleans Exchange said, "We will not accept the order because we are charging $15 a bale, which we think is ample."

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as part of my remarks telegrams from the heads of the three exchanges to which I have referred. One is from D. T. Manget, president of the New Orleans Cotton Exchange; one is from W. H. Koar, president of the New York Cotton Exchange; and the other one is from Harry C. Schaack, president of the Chicago Board of Trade. The messages speak for themselves. I shall not take time to read them. They are in opposition to the order. Those who sent them state that they will not accept voluntarily the order, and will not accept it at all unless they are blackjacked into accepting it.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

NEW ORLEANS, LA., *April 2, 1946.*

Hon. ELMER THOMAS,
Chairman, Senate Committee on Agriculture and Forestry, United States Senate, Washington, D. C.:

Re telegram: (1) Our exchange after careful consideration has gone on record with OPA as being unalterably opposed to their proposed increased margin requirements; (2) our present requirements $15 a bale to buy or sell speculative contract.

D. T. MANGET,
President, New Orleans Cotton Exchange.

NEW YORK, N. Y., *April 2, 1946.*

Hon. ELMER THOMAS,
Chairman, Senate Committee on Agriculture, Senate Office Building:

Answering questions in your telegram of yesterday: (1) Our exchange has not agreed to proposed order indicated. Felt present standard of margin requirements our exchange more than adequate, but added exchange contemplates no resistance to an order presented by an authoritative Government agency; (2) at present level our initial margin requirements are $25 per bale, $30 per bale at 28.01, and $5 additional each cent rise. Trade accounts are exempt from above margin requirements.

W. H. KOAR,
President, New York Cotton Exchange.

CHICAGO, ILL., *April 1, 1946.*

ELMER THOMAS,
Chairman, Committee on Agriculture and Forestry, United States Senate Office Building, Washington, D. C.:

Happy to receive your telegram with respect to existing margin requirements on cotton. Answering your first question, Chicago Board of Trade protested against OPA interference in margins and has not agreed to any change with respect to margins required under the rules of this exchange. Question 2: The record shows that the minimum initial margin requirement on transactions on this exchange is $10 per bale, or $1,000 per hundred bales. I reiterate my compliments previously expressed to you by telegram and letter on your splendid activity on behalf of the cotton merchants and cotton exchanges in the United States.

HARRY C. SCHAACK,
President, Chicago Board of Trade.

Mr. THOMAS of Oklahoma. Mr. President, I shall state what happened following the refusal of the exchanges to accept the order, and following the refusal of Mr. Anderson to approve the order, I am about to read the order of the dictator. It is printed in today's latest revised edition of the Federal statutes of the United States.

Mr. CONNALLY. The Federal Register.

Mr. THOMAS of Oklahoma. Yes, but this is the latest law. How can lawyers practice law in the United States unless they know what are the latest laws fresh from the public press? Laws are made and repealed daily. I read from page 3603 of the Federal Register, omitting the preamble:

1. The Price Administrator—

That is Paul Porter—

is authorized and directed to issue, and the Secretary of Agriculture is authorized and

directed to approve, a regulation establishing margin requirements on cotton futures purchases in accordance with the public announcement issued by the Office of Economic Stabilization on March 13, 1946.

I have already placed that announcement in the RECORD. Mr. Bowles says that the OPA Administrator is "authorized and directed." The Secretary of Agriculture is ordered and directed to approve the order. It is signed by Chester Bowles, Director. In order that the record may be complete, I ask that that directive on page 3603 of the Federal Register, under the heading "Chapter XVIII—Office of Economic Stabilization" be printed in the RECORD at this point as a part of my remarks. The document which I desire to have printed is the directive of Mr. Bowles.

There being no objection, the directive was ordered to be printed in the RECORD, as follows:

CHAPTER XVIII—OFFICE OF ECONOMIC STABILIZATION

[Directive 103]

PART 4004—PRICE STABILIZATION; MAXIMUM PRICES—COTTON MARGINS

I hereby find that the issuance of this directive is necessary to check speculative increases in the price of raw cotton, to protect the joint program of the Civilian Production Administration and the Office of Price Administration for the production of clothing, and to effectuate the purposes of the stabilization program.

Accordingly, pursuant to the authority vested in me by the Stabilization Act of 1942, as amended, and by Executive Order 9250 of October 3, 1942 (7 F. R. 7871), Executive Order 9328 of April 8, 1943 (8 F. R. 4681), Executive Order 9599 of August 18, 1945 (10 F. R. 10155), Executive Order 9651 of October 30, 1945 (10 F. R. 13487), Executive Order 9697 of February 14, 1946 (11 F. R. 1691), and Executive Order 9699 of February 21, 1946 (11 F. R. 1929), It is hereby ordered:

1. The Price Administrator is authorized and directed to issue, and the Secretary of Agriculture is authorized and directed to approve, a regulation establishing margin requirements on cotton futures purchases in accordance with the public announcement issued by the Office of Economic Stabilization on March 13, 1946.

2. The margin required shall be $10 per bale when the price at which the transaction is entered into does not exceed 25 cents per pound, and shall be increased by $10 per bale for each cent, or fraction thereof, by which the price exceeds 25 cents per pound.

3. The regulation may contain appropriate provisions exempting bona fide hedging and straddling transactions from the margin requirements to be established.

Issued and effective this 2d day of April 1946.

CHESTER BOWLES,
Director.

Mr. THOMAS of Oklahoma. Pursuant to that directive the OPA issued an order to the exchanges. That order is contained on page 3602 of the publication from which I have just read. I exhibit to the Senate a copy of the order. It is the order which Mr. Bowles directed the OPA to issue, and which Mr. Bowles directed Mr. Anderson to sign. I ask that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD as follows:

PART 1452—SPECULATIVE AND MANIPULATIVE PRACTICES

[Margin Requirement Reg. 1]

MINIMUM INITIAL MARGIN REQUIREMENTS FOR TRADING OF COTTON FUTURES CONTRACTS

A statement of the considerations involved in the issuance of this regulation has been issued simultaneously herewith and filed with the Division of the Federal Register.

(Authority: Sec. 1452.1 issued under 56 Stat. 23, 765; 57 Stat. 566; Pub. Law 383, 78th Cong.; Pub. Law 108, 79th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681; E.O. 9599, 10 F.R. 10155; E.O. 9651, 10 F.R. 13487; E.O. 9697, 11 F.R. 1691.)

SECTION 1. Types of transactions covered: This regulation shall apply to every type of transaction involving a cotton-futures contract for which on March 1, 1946, minimum initial margins were required by the rules of the contract market on which the futures contract is being traded. All transactions (except those executed prior to April 9, 1946) requiring minimum initial margins under the rules in effect on March 1, 1946, of any contract market are specifically covered hereby and must meet the requirements set forth in section 2. This regulation shall not apply to bona fide hedging transactions as defined in section 4a (3) of the Commodity Exchange Act nor to net positions in cotton futures to the extent that such positions are shown to represent straddles or spreads between cotton futures or markets, nor to minimum initial margins required by the clearing associations serving the contract markets.

SEC. 2. Minimum initial margin requirement: On and after April 9, 1946, the minimum initial margin requirement for transactions to which this regulation applies shall be $10 per bale when the price at which the futures contract is sold does not exceed 25 cents per pound. If the selling price of the futures contract is between 25.01 cents and 26 cents per pound inclusive the minimum initial margin requirement shall be $20 per bale. For each full cent that the selling price exceeds 25.01 cents per pound this minimum initial margin requirement shall be increased by an additional $10 per bale.

SEC. 3. Persons affected. (a) In effecting or executing a cotton-futures transaction on any contract market for any other person a futures-commission merchant shall, for that transaction, assure himself of the minimum initial margin specified in section 2 in the manner prescribed by the rules of said contract market in effect on March 1, 1946. The person for whom a cotton-futures transaction is being executed shall deposit the minimum initial margin specified in section 2 in the manner prescribed by the rules of said market in effect on March 1, 1946.

(b) Each contract market shall promptly report to the Office of Price Administration, Enforcement Department, Washington 25, D. C., any knowledge it has concerning violation of the regulation by any person making use of its facilities: *Provided*, That a contract market may defer such a report until it has made such investigation of its information or knowledge as may be appropriate under its rules.

SEC. 4. Validity of futures contracts: This regulation shall not affect the validity or negotiability of a cotton futures contract traded in contravention of this regulation.

SEC. 5. Enforcement: Any person violating any provision of this regulation is subject to the criminal penalties and civil enforcement actions provided by the Emergency Price Control Act of 1942, as amended.

SEC. 6. Definitions: When used in this regulation the term—

(a) "Person" includes an individual, corporation, partnership, association, or any other organized group of persons or legal successors or representatives of any of the foregoing;

(b) "Transaction" includes sales, trades, purchases, dispositions, and other transfers of contracts;

(c) "Cotton futures contract" means an agreement made through the medium of a cotton contract market to deliver or receive a specific quantity of raw cotton during a specific month as provided by section 5 of the United States Cotton Futures Act and the Commodity Exchange Act, as amended;

(d) "Minimum initial margin requirement" means the least initial amount of cash or cash equivalent a purchaser or seller of a cotton futures contract must deposit against each bale contained in such contract;

(e) "Bale" means a quantity of raw cotton bound in a single unit as required by standard specifications established by the rules of the cotton contract markets in effect on March 1, 1946:

(f) "Selling price" means the recorded price at which the contract is bought or sold;

(g) "Contract market" means a commodity exchange or board of trade designated as a contract market by the Secretary of Agriculture under the Commodity Exchange Act as amended;

(h) "Rules of a contract market" means the charters, bylaws, bulletins, or other rules adopted by such market;

(i) "Futures commission merchant" includes individuals, associations, partnerships, corporations, and trusts engaged in soliciting or in accepting orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market and that in or in connection with such solicitation or acceptance of orders, accepts any money, securities, or property (or extends credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom.

This regulation shall become effective April 9, 1946.

NOTE.—The reporting provisions of the regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Issued this 3d day of April 1946.

JAMES G. ROGERS, Jr.,
Acting Administrator.

Approved: (By direction of the Director of Economic Stabilization) April 2, 1946.

CLINTON P. ANDERSON,
Secretary of Agriculture.

Mr. THOMAS of Oklahoma. Mr. President, I read the latter part of the order.

Issued this 3d day of April 1946.

It is signed:

James G. Rogers, Jr., Acting Administrator.

Mr. Porter was evidently out of town, or could not be reached, because Mr. Rogers signed the order. Then underneath the order is the following notation: "Approved."

I ask Senators to listen.

Approved: (By direction of the Director of Economic Stabilization) April 2, 1946.

Clinton P. Anderson, Secretary of Agriculture.

Mr. Anderson could have approved this order by signing his name and saying "Approved, Clinton P. Anderson." He did not do that. When he signed the order he said, "Approved", and added the words in parentheses, "By direction of the Director of Economic Stabilization." That is the situation. Mr. Anderson did not want to sign the order. He was either forced to sign it or step

out and let someone come in who would take orders.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. Is it not true that that was a direct violation of the law because, as the Senator has already said, in the conference committee the Senator from Alabama [Mr. BANKHEAD] had language incorporated in the law to the effect that such orders could not be issued except on approval of the Secretary of Agriculture. If someone other than the Secretary of Agriculture may direct that certain action be taken, it is not the Secretary of Agriculture who is doing it at all.

Mr. THOMAS of Oklahoma. Mr. President, I construe this to have been an act under duress, and by bringing to bear upon the situation everything which a man has power to use over another man in forcing him to do something against his will.

Mr. MURDOCK. Mr. President, does the Senator take the position that Mr. Anderson, a Cabinet officer, could be forced by Mr. Bowles to sign something against his will?

Mr. THOMAS of Oklahoma. I take the position that he has done so. Otherwise, why would he have held the order for 3 weeks?

Mr. MURDOCK. The Clinton Anderson whom I know, who was a Member of the House of Representatives, and with whom I served, the Secretary of Agriculture whom I know, this same Clinton Anderson, is not the type of man who, in my opinion, can be forced to do anything against his will.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article appearing recently in the Wall Street Journal. It is under the heading "Must Anderson sign cotton margin order?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MUST ANDERSON SIGN COTTON MARGIN ORDER?—AGRICULTURE SECRETARY DOESN'T WANT TO, AND LEGAL QUESTION DELAYS ISSUANCE

WASHINGTON.—Issuance of the cotton margin order by the Office of Price Administration has been delayed by a series of disagreements as to which Government officials must sign the proposed regulation.

Secretary of Agriculture Anderson contends, probably because he does not wish to become further involved in the controversy, that the OPA can legally issue the order without his signature.

But some top officials at the pricing agency say that since the legality of the margin order probably will be contested in court, lack of Secretary Anderson's signature might cause legal complications.

Senator JOHN BANKHEAD (Democrat, Alabama), spokesman for the cotton bloc in the Senate, has entered the wrangle with the statement that in his opinion the OPA was not empowered to act in the matter without approval of Secretary Anderson. He stated he had been assured by Mr. Anderson that he would not sign the margin regulation.

Observers believe that, should the OPA and Department of Agriculture be unable to agree whether Mr. Anderson should sign the order, the matter will be referred to Economic Stabilizer Bowles. If Mr. Bowles feels that Mr. Anderson should "O. K." the regulation, he is in a position, as delegate of the President, to direct Mr. Anderson to sign.

Mr. THOMAS of Oklahoma. That was the question, Must he sign it? The Attorney General held that he had to sign it before it could become effective. The Attorney General made that decision on the law.

Mr. President, I shall read the law. This was a solemn act of the Congress, approved last year, on June 30, 1945, the law extending the OPA, and here is the provision of the law which the Congress placed in the bill, in order, as we thought, to protect the farmers and to protect the farmers' prices. This is the provision:

Notwithstanding any other provision of this or any other law—

No order could be contrary to this, no law could be in contradistinction to this—

Notwithstanding any other provision of this or any other law no action shall be taken under this act by the Administrator—

And listen—

or any other person, without prior written approval of the Secretary of Agriculture with respect to any agricultural commodity.

That is the law today, and it was made so broad as to catch everybody in the United States, even the President of the United States. I contend that that catches this man who holds an office which was not created by the Congress, a man whose appointment was not even confirmed by the Senate.

Mr. MORSE. Mr. President, does Mr. Anderson say that he did not sign the order willingly?

Mr. THOMAS of Oklahoma. I have not talked to Mr. Anderson since he signed the order, but he told me that he would not sign it unless he was made to do it. He did not use those words, perhaps, but that was the implication, and that was the understanding.

Mr. MORSE. I understood the Senator to say, in effect, that Mr. Anderson did not have any choice about the matter, he either had to sign it or get out.

Mr. THOMAS of Oklahoma. The Senator can draw his own conclusion. I can only have my conclusion. He was directed to sign it. He did not sign it voluntarily. He inserted in parentheses, when he did sign it, that he was directed to do it. If he had wanted to do it voluntarily, he certainly would not have forced another coofficial in the administration to issue an order and direct him to do it.

Mr. MORSE. Mr. Anderson is a Cabinet officer, and is it the Senator's implication that he was directed to do it by Mr. Bowles, or by the President of the United States?

Mr. THOMAS of Oklahoma. The Senator can have his own conviction about that matter. He can find out as well as I. I am going on the record.

Mr. MORSE. I have been trying to find out whether the Senator means there was coercion.

Mr. THOMAS of Oklahoma. The order, to any fair-minded man, from my viewpoint, shows it was coercion, intimidation, threat, political blackjacking, so to speak, that caused Mr. Anderson to sign this order.

Mr. President, this is not the first time this matter has arisen. Congress has passed upon the question already, in a way.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I should merely like to ask the Senator two questions. At this season of the year there is not any cotton for sale by the farmers, to any considerable extent, is there?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. MAYBANK. The majority of the cotton is sold by the farmers in August, September, and October. Am I correct?

Mr. THOMAS of Oklahoma. Yes.

Mr. MAYBANK. Advantage is being taken of the farmers in the Senator's State and in my State today, while they are plowing and working and preparing the land in order to harvest the cotton in August, September, and October next year. While the distinguished chairman of the Committee on Agriculture and Forestry has read a few telegrams from exchanges, I wish to say that I have letters and telegrams, as he has, from farmers, from people who know what effect this order will have in August, September, and October. I merely wanted to bring out that point.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. FERGUSON. Would the Senator classify the coercion exerted upon the Secretary of Agriculture as political coercion rather than the ordinary coercion?

Mr. THOMAS of Oklahoma. I rely upon the record. Mr. Anderson occupies a great position. He is in a position to do great things not only for the country, but for the farmers of the United States.

I am in rather close contact with Mr. Anderson, and I believe he desires to do everything he can to help the farmers of the United States help themselves. He is surrounded with influences which may defeat him in that aspiration. We have the Labor Department constantly trying to have wages increased. The bill pending before the Senate at this time has for its purpose an increase in wages to underprivileged workers. The Administration has already approved an order increasing wages of skilled industrial workers 18½ cents an hour.

It seems to me that one part of the Government is trying to lift wages, and we have the Economic Stabilizer doing what he can, with authority or without authority, to bring down the income of the farmers of the United States. I cannot go along with that kind of a proposition. I am for high wages.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MURDOCK. Would it not be a reasonable assumption for us to make that the Secretary of Agriculture, if he were opposed to the signing of this order, would certainly have recourse to the Attorney General as to what the law was in the case, and is it not a reasonable assumption for us to make that, instead of being politically blackjacked into signing it, the Secretary of Agriculture in all probability took the matter up with the Attorney General, and that the Attorney General as a matter of law advised him that Director Bowles had the legal authority to direct him to sign that order, and that under the law he was required to do it?

It seems to me, if the Senator will indulge me for one further observation, that we must presume here in the legislative department of the Government that the men in the executive department of the Government also have some regard for what the law is. I have an idea that, if this matter is traced back, it will be found that it was referred to the Attorney General for his opinion, and that he ruled on it before the Secretary of Agriculture signed the order.

Mr. THOMAS of Oklahoma. The Senator is correct, as I am advised. Mr. Anderson did not act until he had advice from the Attorney General. The Attorney General held, I am advised, that this order could not be placed in effect until it was approved in writing by the Secretary of Agriculture. He did not hold that it would be legal if he approved it, but there could not be an attempt to place it in effect unless it had the written approval of the Secretary of Agriculture.

Mr. President, I might ask the question, Where did Mr. Bowles get his power to ask the Office of OPA or the Secretary of Agriculture to promulgate and put into effect such an order as this? The Congress never gave it to him. There is no law upon the statute books about the economic stabilizer, so far as I know. That office was created by an Executive order. I shall not go into that. The courts will go into it later in all probability.

Mr. President, this identical question has been considered by the Senate. In 1939, some 7 years ago, the then Senator from Iowa, Mr. Gillette, introduced a bill in the Senate, Senate bill 831, on January 19, 1939, and it was referred to the Committee on Agriculture and Forestry. I ask permission to have the bill printed in the RECORD at this point.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 831

A bill to amend the Commodity Exchange Act, as amended, to authorize the Commodity Exchange Commission to regulate customer margin requirements.

Be it enacted, etc., That the second sentence of section 4a (1) of the Commodity Exchange Act, as amended (2 F. C. A., title 7, sec. 6a), is hereby amended to read as follows: "For the purpose of diminishing, eliminating, or preventing such burden, the Commission shall, from time to time, after due notice and opportunity for hearing, by order, proclaim and fix the customer margin requirements in futures contract markets at a certain percentage, not less than 25 percent of the closing quotations, in and for the respective futures contract markets, of the last trading day of the same future of the preceding calendar year, and shall proclaim and fix limits on the amount of trading under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market which may be done by any person as the Commission finds it necessary to diminish, eliminate, or prevent such burden."

Mr. THOMAS of Oklahoma. Mr. President, this bill had for its purpose the raising of the margin requirements in all the exchanges to the extent of 25 percent of the purchase price on the day the sale was made, or the day the purchase was made; the bill will speak for itself.

The chairman of the committee at that time, Senator Smith, appointed a subcommittee to consider the bill. On that subcommittee were Senator Bulow, of South Dakota, Senator Gillette, of Iowa, and Senator George W. Norris, of Nebraska. They were the three members of the subcommittee of the Committee on Agriculture and Forestry appointed to consider the proposed legislation.

Mr. President, this bill, before the subcommittee began its hearings on it, was sent to the Department of Agriculture for consideration and report. The Secretary made a report. The report was adverse. I exhibit to the Senate the report by the Secretary of Agriculture. It was not signed by the then Secretary. It was signed by the then Acting Secretary F. W. Reichelderfer. The report is dated April 9, 1939. I ask unanimous consent that the adverse report on this request to raise the margin requirement be placed in the RECORD in connection with my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, April 24, 1939.

Hon. E. D. SMITH, *Chairman,*
Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR SMITH: In accordance with your request of January 25, the Department submits its report on bill S. 831.

The bill would amend the Commodity Exchange Act to authorize the Commodity Exchange Commission (Secretary of Agriculture, Secretary of Commerce and Attorney General) to "fix the customer margin requirements in futures contract markets at a certain percentage, not less than 25 percent of the closing quotations, in and for the respective futures contract markets, of the last trading day of the same future of the preceding calendar year."

The legislative standard laid down for fixing margin requirements in terms of percentages of the closing prices for various futures during the preceding calendar year is not considered practical. Enforcement would be difficult as well as costly.

There are, for example, nine contract markets for wheat alone. Not less than four wheat futures are traded in on each such market during each calendar year. Unless by pure coincidence certain futures happen to have closed at the same price, commission firms would have to apply a different unit rate of margin to each of the several wheat futures, and also to the different commodities and markets. Most commission firms operate in more than one market and have customers who trade in various commodities. Aside from innumerable innocent violations which would occur under the proposed scheme the cost of enforcing it against intentional violations and evasions would be enormous.

The bill provides that the rate of margin shall be fixed "after due notice and opportunity for hearing." This is necessary, no doubt, from the legal standpoint. If, however, margin rates are to be fixed in terms of percentages of the closing prices of the various futures during the preceding calendar year, it follows that hearings must be held and margins fixed anew each year. The Department sees no advantage in such procedure and questions the desirability of attempting to fix margins in this manner. Obviously, a margin fixed on the basis of past prices may or may not be proper in relation to current prices.

The bill, being an amendment to the Commodity Exchange Act, necessarily restricts the application of minimum margins to those important agricultural commodities named in the present act. If customer margins are to be fixed under authority of law, it seems desirable that this be done with respect to all commodities. Trading will tend to center in those commodity markets in which the margin requirements are lowest. Such markets might attract more trading than is necessary or desirable. Conversely, the markets for the important agricultural commodities covered by the Commodity Exchange Act might suffer by lack of volume and become too narrow and restricted to serve the needs of hedgers.

Because of the objections stated herein the department's report upon bill S. 831 is unfavorable.

Upon reference of this matter to the Bureau of the Budget, as required by Budget Circular 344, the Director thereof advised the Department of Agriculture under date of April 20, 1939, that there would be no objection on the part of that office to the submission to Congress of this report.

Sincerely,

F. W. REICHENDERFER,
Acting Secretary.

Mr. THOMAS of Oklahoma. I read the last paragraph of the report:

Because of the objections stated herein the department's report upon the bill S. 831 is unfavorable.

So at a former time an attempt was made to raise the margin requirements. The Department of Agriculture was against raising the margin requirements, and submitted an unfavorable report, and as a result the subcommittee never even made a report to the full committee. The bill went the road taken by so many bills introduced in Congress, it went into a pigeonhole somewhere, and no doubt it is still there.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. Will the Senator advise us who was the Secretary of Agriculture at that time?

Mr. THOMAS of Oklahoma. It was Secretary Wallace.

Mr. MURDOCK. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. MURDOCK. I do not want the Senator to get the idea that I take the position that the order to which he refers is correct or that it is based on law. My position is simply this, that I think it is reasonable for us to infer that the

Secretary of Agriculture sought the advice of the Department of Justice before he acted. But I am taking no position either one way or the other as to the correctness or legality of the order which the Senator has discussed.

Mr. THOMAS of Oklahoma. Mr. President, after the Secretary had reported against the Gillette bill, the subcommittee proceeded to hold hearings—and I exhibit to the Senate a copy of the hearings—on a bill to authorize the Commodity Exchange Commission to require the raising of margin requirements. These [exhibiting] are the hearings held before the subcommittee of the Committee on Agriculture and Forestry, in June and July 1939.

I desire to call attention very briefly to a few sentences from the testimony of witnesses who appeared before the subcommittee. I call attention first to the statement of John Lee Coulter, an economist. Mr. Coulter at one time was president of the North Dakota State Agricultural College. For a number of years he was a member of the United States Tariff Commission. This is what Mr. Coulter, after arguing against the bill, said:

In other words, futures trading has an outstanding function in the attempt to arrive at the price of a given commodity as of a certain futures date.

Mr. Coulter approved the existence of these exchanges. And, Mr. President, if it were not for the exchanges there would be no liquid cotton market in the United States. If it were not for the exchanges there would be no liquid wheat market in the United States. If it were not for the exchanges there would be no liquid market of any kind in the United States. It is the exchanges that make the liquid market. The futures market controls the spot market. The spot market controls the price the farmer receives for his cotton. The spot market on wheat controls the price the farmer receives for his wheat or for his corn, or for his livestock for that matter.

I quote further from Dr. Coulter:

There is a very large group of business interested in commodity exchanges, wholly and solely in order to avoid gambling or taking chances. When the operator or manager of a country elevator buys a load of wheat from each of ten or twenty threshing machines, and during the day takes in a thousand bushels and pays cash, he does not know what the price of that wheat is going to be when it is loaded on the car and delivered at the terminal elevator, and he, the manager of the country elevator desires to avoid taking chances. Therefore he hedges or he sells a thousand bushels because he bought a thousand, and he does not want to risk a change in price. He is certainly not gambling, but he is trying to avoid gambling.

That is the reason for the existence of these exchanges, and that is the kind of service they perform. When the little merchant in the United States buys a few bales of cotton he hedges against those bales on the exchange. He knows what he pays for them. At the same time he buys them he sells against them, so his position is protected. If cotton goes up he has an increased price of spot cotton to remunerate him. If the price goes down his hedge protects him in the loss on the spot cotton.

I read further:

To all of that group the exchange serves an insurance function and removes chance for him.

Again I read from Dr. Coulter, who mentions those who are interested in these exchanges. He first mentions the farmer. He mentions next the terminal elevator. Next he mentions the miller. Next the baker. Those people are all interested in these exchanges. Each one of them deals in grain. In order to protect himself against loss when he buys a certain amount of flour, the baker, when he buys flour has a chance to go in the market and sell a hedge against it so if flour goes down he is protected in the sale of the product.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. Is it not true that this is not a profit-making arrangement, but is purely one of insurance? The merchant hedges so as to assure against losing any money but he will not make any profit either. If he hedges he will not make any profit. He will not make any profit either way.

Mr. THOMAS of Oklahoma. The Senator from Texas is correct. If the Senator were a cotton merchant in Texas, where there are many small merchants, and were to buy tomorrow 100 bales of cotton, the chances are he would pay a certain price a pound for the hundred bales, say, 25 cents a pound. Then tomorrow afternoon, before the exchange closed, he would sell a hundred bales on the nearest exchange to him. He paid 25 cents a pound for his cotton. Whatever may happen to it, with the hedge his position is fixed. If the price should go to 30 cents, then he would have 5 cents profit, but would have 5 cents loss upon his hedge. His position is the same if cotton goes up or if it goes down. Destroy these exchanges, and where is the merchant, where is the terminal elevator, where is the cotton gin, where is the cotton compress, where is the mill, where is the large wholesaler who buys cloth by the hundreds of thousands of yards? They are all left without any protection whatever. They have no place to go to protect themselves.

Mr. President, the purpose of this order is to drive the price of cotton down. Otherwise it would not have been issued. If it drives the price of cotton down and at the same time drives the cotton exchanges out of existence, then where will there be any place in America where the cotton merchant or anyone connected with the cotton industry can go to protest himself? Where could he go for credit? The bank would not loan a man money unless he had other collateral. As our economic system is now operating, individuals can borrow money on wheat, they can borrow money on corn or on cotton, because the banks know that those commodities are liquid every day in the year. A man dealing in wheat can go to the bank and borrow the money he wants if he is a good businessman. But if these exchanges are closed, there will be no opportunity for anyone to hedge.

I read further from Dr. Coulter's testimony, and I shall not take the time of the Senate very much longer:

I am thinking along the line of attempting to steady the market and force it to function in the interest of the general welfare, if it is going to function at all, and I would say there that just as a State can accomplish nothing in the regulation of the exchanges, even the Federal Government in a matter of this sort would accomplish, I think, nothing by requiring a margin so great as to attempt by that to put the futures trading out of business, because I think it would merely drive it into Montreal, Toronto, Winnipeg, London, Paris, or some place else, and we would not only have accomplished nothing except driving it out of this country, but it would then be beyond our supervision.

If the exchanges were driven out of business, as I stated a while ago, there would be no place in America where businessmen could protect themselves. The exchanges would still be operating in Canada. They might still be operating in Mexico, or some other country. So if we drive the exchanges out of America, there is nowhere else in this country where these businessmen can protect themselves. If they protect themselves, it will be in some other country—in Canada in all probability, or in some other neighboring country. If that should happen, a very large amount of revenue would be lost to our Federal Treasury, and the revenue would go to some other country, and would not serve to help pay the expenses of this Nation.

Dr. Coulter states further:

Therefore, personally, I am not in harmony in my thinking with those who would merely use this as a device to raise margins in order to put the exchanges out of business or to drive them into other countries.

I shall not pursue Dr. Coulter's testimony further. I wish to refer to one or two other witnesses briefly.

Another witness who appeared before the subcommittee was Bernard A. Smyth.

Mr. Smyth was formerly of Omaha, Nebr. He now resides in Washington. He is a former member of the Omaha Grain Exchange, and former District of Columbia manager of E. A. Pierce & Co., a member of the New York Stock Exchange. He is a former member of the board of the Gallatin Institute of Applied Economics. Mr. Smyth said:

I will not go into the question of the economic value of speculation, but I dare say, in all fairness, that speculation as a part of the present system, has aided the farmer as much as it has injured him. And that the futures market as such—that is, hedging and speculation—is a fundamental and a necessary operation of the present system.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. YOUNG. I think there is one point which the Senator has not brought out very clearly, and that is this: in my home market wheat is now selling at $1.54 a bushel. If I went there tomorrow morning and sold 5,000 bushels, the operator would immediately wire Minneapolis and sell 5,000 bushels. If he could not hedge, he would discount my wheat 10 or 15 cents a bushel to insure his coming out whole. In other words,

if he could not hedge, the elevator man would take an extreme discount.

Mr. THOMAS of Oklahoma. The Senator is exactly right. Everyone who deals in grain knows that to be the truth. If we destroy the national market, if a farmer wishes to sell something he must first find someone who has the money to buy it, and someone who wants it. When he finds that person, he takes what the man who has the money will give him for it.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I merely wish to say that the able Senator from North Dakota is eminently correct with respect to grain. I appreciate his remarks. The same thing applies to cotton. In the South most of the cotton is sold on Thursday, Friday, and Saturday, because on Monday, Tuesday, and Wednesday, in the fall of the year, as the distinguished chairman of the Committee on Agriculture and Forestry knows, the farmers are picking cotton. They sell it over the week end. If there were no exchanges I do not know what would happen to the farmers.

Mr. THOMAS of Oklahoma. Mr. President, I shall not detain the Senate much longer. To me this is a very important matter, and I wish to make a record.

I again quote from Mr. Smyth:

In conclusion speculation is fundamental to our present economic order of society and business, because it arises from the inevitable risk and the inherent vicissitudes of all industry and trade. It usually intervenes to adjust present prices to future but seemingly probable values.

Mr. Smyth further stated:

I further stated that when margins are increased the tendency is to reduce the number of traders and thereby curtail activity, which results in wider spreads between bid and ask prices. I should have added that as margins are increased, the bulk of the speculative trading, at least theoretically, is thrown or placed in the hands of the moneyed group.

That is what this economist says. As we restrict trading, prices are inclined to fall. As we restrict trading, it is limited to those who can afford it, the moneyed class.

Quoting again:

The activities of the group, without the resistance or interposing of the many small traders, who collectively absorb large quantities in both sides of the market, will not only tend to increase the likelihood of sizable fluctuations in the price level, but gives more power of control to the privileged ones who have been in the past accused and found guilty of manipulations.

This order provides that a man may hedge for a minimum amount of money. That is, a man may sell on the exchanges for a smaller amount of money. I think the hedging transactions are now about to be increased, so that when fall comes, as my friend from Mississippi knows is true in his State, and my friend from South Carolina knows is true in his State, the farmers will take their cotton to the market. The men who buy the cotton want to hedge. They can hedge for a minimum amount of money. In other words, they can sell for a minimum amount of margin. But the man who must buy the cotton must put up $5,000 a hundred bales, or $50 a bale. That puts a premium on driving the price of cotton down, and a penalty on those who want to keep the price up.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. The Senator is eminently correct. Cotton mills which want to buy so that they can sell their cloth for December and January deliveries next season must put up $5,000 a contract to protect themselves when they are trying to buy; whereas if the price of cotton goes down, then the cotton mills and those desiring to buy can buy cotton more cheaply. It is done for one purpose only, and that is to put a price control on cotton.

Mr. THOMAS of Oklahoma. If the Congress wishes to countenance a system of government by dictators who have the power to use what I have called a political blackjack, it has an opportunity to sit idly by and let this order go into effect. The order is issued to go into effect next Tuesday. If nothing is done it will go into effect next Tuesday. I cannot speak for the exchanges. I do not know what legal steps they will take, if any, to protect themselves. If the order does go into effect, and if the exchanges make no defense, the order will presumably be legal. Those who desire to purchase cotton on the exchanges will have to put up $50 a bale, or $5,000 to buy a 100-bale contract.

Then, Mr. President, when cotton can be sold at a minimum cost, and it costs $5,000 to buy it, what will be the effect upon the cotton market? The effect will be that which Mr. Bowles intends his order should have, namely, to drive the price of cotton down.

Mr. President, it has been shown—and has not been controverted—that the farmer gets for his work-hour just as much money for 1 hour as he can sell a pound of cotton for. If a farmer can sell a pound of cotton for 20 cents, he gets 20 cents an hour for his labor. For 25 years the price of cotton has been far below parity. In 1930, 1931, 1932, and 1933 the cotton farmers of the South had to raise their cotton and sell it at prices ranging between 3½ and 6 or 7 cents a pound, which meant that in those years the cotton farmers received only from 3½ to 6 or 7 cents an hour for their labor. That statement has not been contradicted.

I ask unanimous consent to place in the RECORD at this point the formula which demonstrates the truth of that assertion.

There being no objection, the formula was ordered to be printed in the RECORD, as follows:

COTTON PRICE PER POUND IS COTTON LABOR PRICE PER HOUR

When cotton sells for 10 cents per pound, the laborer receives 10 cents per hour for his work in producing the cotton.

If cotton should sell for 20 cents per pound, the producer would receive only 20 cents per hour for his labor.

At the present price of cotton—16 cents per pound—the grower receives 16.12 cents per hour for his labor.

The following analysis of receipts and expenses demonstrates the stated facts:

1. Average yield of lint cotton per acre, 10-year period (1919–28)—Authority: Agricultural Statistics, 1940, page 109, 162 pounds.

2. Average yield cottonseed per acre—Note: Double the weight of lint cotton, 324 pounds.

3. Average number hours of human labor necessary to produce 1 acre of cotton, 85 hours.

4. If it takes 85 hours of human labor to prepare the soil, plant, cultivate, pick, and market 1 acre of cotton, then we secure the following results:

5. By dividing the average amount of lint cotton produced per acre (162 pounds) by the total number of hours (85), we find that each hour produces lint cotton to the amount of 1.9 pounds.

6. By dividing the average amount of cottonseed produced per acre (324 pounds) by the total number of hours (85), we find that each hour produces cottonseed to the amount of 3.81 pounds.

7. The average price of spot cotton at the 10 designated markets on October 20, 1941, was $0.16 per pound.

8. The price of cottonseed on October 20, 1941, was $50 per ton.

Recapitulation

RETURNS

	Cents
1 hour human labor produces 1.9 pounds of cotton lint at 16 cents per pound (see 5 and 7 above)	30.40
1 hour human labor produces 3.81 pounds of cottonseed at $50 per ton or 2.5 cents per pound	9.52
Total returns for 1 hour human labor	39.92

EXPENSES

Expense—Ginning at $7 per bale (500 pounds) or 1.4 cents per pound: 1.9 pounds at 1.4 cents per pound	2.66
Expense—Fertilizer at average cost 1 cent per pound of lint: 1.9 pounds at 1 cent per pound	1.90
Expense—Poison at average cost 1.64 cents per pound of lint: 1.9 pounds at 1.64 cents	3.11
Total expense	7.67
Total return per hour of labor	39.92
Total expense	7.67
Net return	32.25
Landlord's share—one-half of 32.25 cents, or	16.12
Labor's share—one-half of 32.25 cents, or per hour	16.12

Mr. THOMAS of Oklahoma. In the hearings on the parity formula this question was gone into rather thoroughly. I exhibit to the Senate the hearings on the formula for determining parity prices. Those hearings were held on Senate Resolution 117. This volume [exhibiting] is part 2 of the hearings, which were held in the months of July, August, September, and October of 1941. The hearings are printed in the volume which I hold in my hand. On page 488 will be found the formula which the economists have worked out, which demonstrates that the price which the farmer receives for 1 pound of cotton is the exact amount which he receives for 1 hour of labor.

Mr. Bowles approved an increase of 18½ cents an hour for industrial labor. Another branch of this Government, the Department of Labor, is supporting the amendment pending in this bill, raising the minimum wage from 40 cents an hour to 65 cents an hour; and yet an effort is being made to drive down the

price of cotton, which means the hourly wage of the cotton growers of this country, below what it is tonight. Tonight spot cotton, the staple brand of seven-eighths cotton, is selling for 26 or 27 cents a pound. So the man who has raised spot cotton of the standard brand of seven-eighths inch staple, tonight gets less than 27 cents a pound for his cotton, which means that this fall when he produces a crop, if the price remains where it now is, he will receive only 27 cents an hour as wages for the work he has done. How can a man in an agricultural State produce his cotton and remain quiet when an order of this kind is placed before his face, and yet make no objection to the enforcement of the order?

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LANGER. Do the hearings show how much of the cotton is actually delivered and how much of it is phantom cotton in which the gamblers speculate?

Mr. THOMAS of Oklahoma. Mr. President, the record shows from day to day how much cotton is delivered and how much cotton the speculators deal in. This order will affect approximately two and one-half million bales of cotton; there is that much of an open interest on the exchanges of the United States tonight. Someone sold those bales of cotton; and when they are sold there must be someone to buy them. That means the open interest. So tonight there are citizens of this country or of other countries who have short interests in the cotton market to the extent of approximately two and one-half million bales. If this order becomes effective and if it does what Mr. Bowles thinks it will do—namely, drive the price of cotton down 1 cent—that will amount to $5 on a bale of cotton. Multiplying two and one-half million bales by $5, will show the amount of profit which the short interests will get as a result of a 1-cent drop in the price of cotton. If the drop in the price should be 2 cents, that would amount to a decrease of $10 in the price of a bale of cotton. So we can see just how much profit the speculators who are on the short side will get.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I should like to say to the Senator that a question has been asked as to how much interest the gamblers have. I wish to say that the Wall Street gamblers or other gamblers will not be very much affected, because it is not very much trouble for them to go down to the National City Bank or the Guaranty Trust Co. or the Chase National Bank or the Manhattan Bank or some other bank in the city of New York and obtain the money they need for their margins. The one who will be hurt will be the crossroads merchant or the small farmer or the small cotton ginner. He is the one who will be the worst hurt when the fall comes.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LANGER. I think the Senator from South Carolina said the cotton farmer sold his cotton months ago.

Mr. MAYBANK. That is correct. I also said the cotton farmer would be the one who would be the worst hurt when the fall comes.

Mr. THOMAS of Oklahoma. Mr. President, let me clarify this matter. If this order goes into effect, the man who holds cotton will lose $5 or $10 a bale. The man who has sold the cotton short will gain $5 or $10 a bale. Those who wish to do that for the speculator and help him in that way are at liberty to take that side.

As for me, I am on the other side. I wish to see the price of cotton go up. I am in favor of high prices for cotton—not because I want high prices, but because high prices must come. I shall not take the time of the Senate to amplify that statement to any great extent; but we cannot service the national debt or pay for the National Army or take care of the returning veterans or meet the national budget on a low-price level. We cannot possibly do it on the present price level.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McMAHON. How high does the Senator want prices to be?

Mr. THOMAS of Oklahoma. I want them to be just as high as they have to be in order to keep this country a going concern.

Mr. McMAHON. How high would the price of cotton be at that time?

Mr. THOMAS of Oklahoma. Mr. President, I shall answer the question. After the last war, cotton sold for 44 cents a pound. Tonight the price is 26 or 27 cents a pound—scarcely half of what it was after the last war. After the last war it took the Republican administration 6 years to decide just where the price level should be placed. That was done in 1926.

We cannot tell now where the price level must be. I am not a seer, but it is my judgment that prices must edge up to the point where the people can make sufficient money to enable them to pay the taxes which are necessary in order to keep this Government a going concern. If they do not, we cannot pay the interest on the bonds and the bonds cannot be paid, and the country must go into default and repudiation.

I am not an inflationist. I am in favor of raising the price level to the point where it must be. I do not want to take an atom of wealth from any bondholder in the world. That will not be done with my consent. I want the bondholders to get every bit of value they can for all the bonds they hold. But if the price level is placed so low that the people cannot make sufficient money to enable them to pay taxes which are necessary to pay the interest and to pay for the bonds, then what will happen? That is my position. I should like to have someone controvert it if he can.

Mr. President, I have received hundreds of letters and many telegrams with respect to this matter. The commissioners and directors and secretaries of agriculture of the various States from whom I have heard are against this requirement. I hold in my hand two rather typical telegrams, one from the commissioner of agriculture of the State of Texas, Mr. J. E. McDonald. I shall ask unanimous consent to have that telegram, in which Mr. McDonald takes a position against the proposed order, printed at this point in the RECORD in connection with my remarks, and I also shall ask unanimous consent to have printed in the RECORD a telegram which I have received from the commissioner of agriculture of the State of Georgia, Mr. Tom Linder. I shall ask unanimous consent that they be printed in the RECORD without being read.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LANGER. Would the Senator mind reading the telegrams? I am especially anxious to hear the Linder telegram read.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the telegrams may be read by the clerk, at the desk.

The PRESIDENT pro tempore. Without objection, the telegrams will be read.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me, to permit me to propound a request for a unanimous-consent agreement?

Mr. THOMAS of Oklahoma. I shall do so after the telegrams are read.

The legislative clerk read as follows:

ATLANTA, GA., *March 14, 1946.*

Senator ELMER THOMAS, *Chairman,*
Senate Agriculture Committee,
Senate Office, Washington, D. C.

The Bowles' weevil again stabs the farmer in the back and attempts to reduce farm production at the most critical hour of our country's history.

As long as national and international interests could maintain a bear market on cotton exchanges it was all right with the Bowles' weevil and the board for bears to depress the price of cotton regardless of how small the margin required on the exchanges.

The day that natural economic conditions forces the price of cotton a few cents higher immediately the Bowles' weevil and the administration pretend to see the need to require large margins on exchanges. Of course, it is simply another way to put a ceiling on American cotton. It is a subterfuge and a fraud on the American farmer and will reach out to embrace all American farmers whose commodities are quoted on futures exchanges.

To preserve the life of the Bowles' weevil organization, commonly spoken of as OPA, is in the same category as preserving the life of the boll weevil, the corn weevil and all other insect pests.

The question now boils down to one issue—is it more important to preserve arbitrary Government controls or more important to preserve America?

It is impossible to keep arbitrary controls without finishing the destruction of America. Such arbitrary and unjust action of the OPA makes the complete elimination of OPA immediately necessary.

TOM LINDER.

AUSTIN, TEX., *March 14, 1946.*

Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

The suggestion and demand of Chester Bowles that cotton exchanges require additional 2-cents-per-pound margin for each 1-cent advance in the price of cotton is unfair to the American cotton grower and cotton merchant. The war is over, and Chester Bowles is wholly without authority to make such demand. His action shows to what

extent wartime-created Government bureaus will go in peacetime if the Congress will permit. For a century, cotton exchanges have provided facilities for marketing cotton, and Chester Bowles' margin-increase demand will impede and impair the functions of cotton exchanges approved and successfully used by cotton farmers and cotton merchants. Chester Bowles' latest demand is a clean-cut demonstration of communistic dictatorship functioning through Government bureaus, and the American people are waiting to see how long their Congress will tolerate interference with free enterprise and democratic principles established by our forefathers. I respectfully urge that the Senate Agricultural Committee immediately arrange for a hearing on Chester Bowles' demand for cotton margin increase.

J. E. McDONALD,
Texas Commissioner of Agriculture.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a news item appearing recently in the American Banker. It is under a Boston, Mass., date line, and the title of it is "Price Controls Drive Cotton From World Markets, Says Bank." The first paragraph reads as follows:

The First National Bank of Boston, in the current issue of its New England Letter, takes issue with people who urge a continuance of Government price fixing and subsidies, and cites the results of the price-control policy as it affects cotton.

Mr. President, I ask that the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRICE CONTROLS DRIVE COTTON FROM WORLD MARKETS, SAYS BANK

BOSTON, MASS.—The First National Bank of Boston in the current issue of its New England letter, takes issue with people who urge a continuance of Government price fixing and subsidies, and cites the results of the price-control policy as it affects cotton.

Under the American price umbrella, the letter says, the production of foreign cotton has been greatly stimulated to the detriment of American cotton growers. The letter also refers to the loss of American finished goods market abroad, but points out that this was due partly to the disruption caused by war. The letter warns that due to the continuation of the administration's price-support policy a virtual elimination of our mills from the cotton goods export market is possible.

Mr. THOMAS of Oklahoma. I also ask to have printed in the RECORD at this point an editorial entitled "They Always Blame the Farmer" from the Norman Transcript of Norman, Okla.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THEY ALWAYS BLAME THE FARMER

When the steel, automobile, electrical, and other workers were demanding higher pay a few months back, the administration in Washington openly endorsed their proposal, up to 18½ cents an hour.

And when industry contended it could not grant such demands without increases in prices, the administration went right along and granted increases for steel, automobiles, and many other products. Higher prices for shirts, dresses, and other articles of clothing also have been granted.

Farmers are among those who will have to pay these higher prices. But when friends of farmers in Congress call attention to that and propose that the farmer be given higher prices for his products, the OPA and other administration spokesmen in Washington are highly outraged. It would mean increased cost of food. What is the farmer trying to do anyhow, they shout, drive the Nation into inflation?

The inflation spiral was started way back yonder when sky-high wages were paid for war work. It was given a big boost by the wage increases in the past few weeks. The farmers, along with white-collar workers, school teachers, and others, have tagged along behind all the time, working long hours and trying to make enough to enjoy some of the comforts of life that are taken for granted by industrial workers.

And now the farmer is to be blamed for the inflation others started. It is a queer world.

Mr. THOMAS of Oklahoma. Mr. President, I now send forward an amendment which I ask to have read.

The PRESIDENT pro tempore. The amendment will be read for the information of the Senate.

The LEGISLATIVE CLERK. At the proper place it is proposed to add the following new section:

SEC. —. In order to protect the income of the producers of farm commodities no official or agency of the Government shall have authority to interfere, directly or indirectly, in altering or fixing margin requirements on the purchase or sale of any farm commodity at any commodity exchange licensed to do business in the United States.

Mr. THOMAS of Oklahoma. Mr. President, under the existing law the Department of Agriculture does not have the power to interfere with margins. The SEC has no power whatever over commodity exchanges. The only power which Congress has given to control commodity exchanges has been vested in the Department of Agriculture. However, the commodity-exchange law does not give any person in the Department of Agriculture, not even the Secretary of Agriculture, the power to interfere in any way, shape, or form with the fixing of margins. So, Mr. President, at the present time there is no law which has been placed in the hands of anyone enabling him to direct exchanges to do this, that, or the other, so far as marginal requirements are concerned.

The order will not take effect until next Tuesday. I refer to the order which was approved by Mr. Anderson under protest. I know that to be true, unless he changed his mind after I talked to him in the morning. If it is sought to enforce the order it will be contested in the courts. I do not know what will be the effect of the order. I think it will drive down the price of cotton. Inasmuch as it will be contested in the courts, and we shall know within a few days what will be the effect of the order, I shall not ask the Senate tonight to vote on the amendment. But, Mr. President, I serve notice that if the order is placed into effect, and if it is sustained by the courts, when the measure providing for the extension of the OPA law comes before the Senate I shall submit an amendment repealing the order, and taking the assumed power away from any agency or person connected with this Government.

Mr. CONNALLY. Mr. President, had the Senator contemplated adding to his amendment the vacation of any existing order? I do not suggest that, but I think it is worthy of consideration.

Mr. THOMAS of Oklahoma. Mr. President, it is obvious that in order to get a vote tonight we shall have to have the presence of a quorum. I should like to see the courts pass on the question involved, which is now before the public. If the effect of the order is unfavorable to the farmer, as I think it will be, and if the courts sustain it, when the measure providing for the extension of the OPA law comes before the Senate and I am here, I shall, as I have already said, submit an amendment to repeal the order and abolish the power which may be in the hands of any one to control margins.

With that statement, Mr. President, I shall not offer the amendment at this time.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a copy of the broadcast by Fulton Lewis, Jr., last night.

There being no objection, the broadcast was ordered to be printed in the RECORD, as follows:

Now, there has happened here in Washington today a thing that is so far reaching in its importance, and which strikes so deeply at the basic morality of your National Government, that it deserves very particular attention, and, therefore, I hope that you'll listen with the utmost care to what I'm going to tell you from here on.

I might mention to begin with that I have been asked tens of thousands of times, over the country and by mail, by people who are dissatisfied with some of the things that happen in government, "What can I do about it?" By way of a specific answer, this is one of the things that would seem to deserve your first priority attention.

It involves a question, the merits or demerits of which have nothing whatsoever to do with the case. The Economic Stabilization Director, Mr. Chester Bowles, yesterday issued an order increasing the margin requirements on the future buying of cotton—in other words, an individual who wants to buy future cotton in the commodity exchanges, will under this order, have to put up a larger amount of capital than he put up before, in order to buy—on margin—the same amount of cotton. The purpose of that is to try to push down the price of cotton to the farmer, and it may or may not prove effective. It's entirely aside from the point as to whether it will do so or will not do so; it's entirely aside from the point as to whether it's a good idea to try, or a bad idea to try.

The sole question involved here is the manner and procedure by which this order was issued by Mr. Bowles, and the morals and actual legality of that procedure, and whether you—as the American people—believe that this is the way Government should be run; whether you believe that this is a Government of laws, or a Government by individually appointed officials who are not responsible to you, and who, instead of obeying the laws, run things the way they, and the political groups that are backing them, want them to run them.

When this order was made public yesterday, a terrific hue and cry arose from almost the entire Senate and House delegations from the southern cotton-raising States, and from the standpoint of practical political results, it probably was the straw that broke Mr. Chester Bowles' political back, so far as those elements of the Democratic Party are concerned. The comment was outspoken and unrestrained and highly bitter. There was open warning that when the OPA continuation bill comes before the Senate, the entire southern Democratic congregation will go to

work on it, and wreak vengeance on OPA and on Mr. Bowles alike.

But that indignation—and indignation it was—was not based on any mere consideration of what might happen to cotton prices. It was based, instead, on the history of Government rulings on matters of this kind, and that is the kernel of the whole story.

Back when the Price Control Act originally was being considered, in the days of Mr. Leon Henderson, there was a long and earnest controversy as to whether all powers over agricultural commodities, and the rationing and price control of them, should not be placed in the hands of the Secretary of Agriculture or whether, instead, they should be given to Mr. Henderson and the OPA.

President Roosevelt was very insistent at the time, under the influence of Mr. Henderson, that OPA must be given complete authority over the entire picture, and that it should not be divided, and so Congress finally gave in, by making the compromise that OPA should have rationing and price control and other powers, but that no order involving any farm commodity should be issued, unless it was done with the consent and approval of the War Food Administrator who is also the Secretary of Agriculture.

Things rocked along on that basis for a while, until former War Food Administrator Marvin Jones had some meat-control provisions put up to him, which he believed to be entirely unsound and improper, and he refused to sign them. Present Secretary of the Treasury Fred Vinson, at that time was Economic Stabilization Director, and he assumed the authority to settle these disputes between the OPA and the War Food Administration, and began a process—which was in great dispute at the time and continued to be—of directing and ordering the War Food Administrator to consent and approve these decisions and policies of OPA, even though the War Food Administrator disapproved of them, most violently.

It very obviously was a complete and direct defiance of the intention of the Congress, when that provision originally was written into law. They gave the powers of consent and approval to the War Food Administrator, because they wanted to give him a veto power over OPA on matters that affected farm commodities. But by a trick twist in the letter of the law, in the interpretation of the letter of the law, the intent of Congress was sidestepped, and the authority of the War Food Administrator, who knew about food and farm commodities, was reduced to the mechanical business of signing his name on a piece of paper.

About a year and a half ago, when Congress finally reached the breaking point on Mr. Chester Bowles' bungling of the Nation-wide meat situation, you may remember that there was a terrific battle which resulted in putting into the OPA continuation act—this was in 1945—a provision restoring the powers of the War Food Administrator, and ostensibly giving him full authority over the entire agricultural commodity picture of the Nation.

Because of the way the Office of Economic Stabilization had behaved, in assuming the authority to order the War Food Administrator to approve these policies and orders of the OPA, a new provision was written into the law, which said that "Notwithstanding any other provision of this or any other law, no action shall be taken under this act, by the Administrator, without prior written approval of the Secretary of Agriculture, with respect to any agricultural commodity."

Senator BANKHEAD of Alabama was the author of that provision, and at the time it was finally decided upon, Mr. Chester Bowles, and the then Economic Stabilizer Fred Vinson, and War Food Administrator Marvin Jones, were all called down to Congress, and they were told that they had violated the intent of Congress. It was explained at the time that the provision which I have just read you—which, by the way, is the verbatim language of the law—was intended to mean that in the future, nobody, not even the President of the United States, should have the right to force the War Food Administrator to approve or consent to any of these orders or regulations by OPA.

Senator BANKHEAD said today that the exact wording of the provision was read to the three men, including Mr. Bowles, and it was made perfectly clear to them what it meant, and they understood what it meant.

Very well. That brings us up to the present time.

In the present case, it is Mr. Chester Bowles, and not Mr. Fred Vinson, who is Stabilization Director—and Mr. Bowles, as you know, has long been the darling of the Political Action Committee of the CIO, and the rest of the radical left wing group in and out of Government. They have wanted and advocated a roll-back in cotton prices, and many of them have advocated this very move as a method of rolling back those cotton prices. When the order was issued yesterday, they came out with their usual laudation of Mr. Bowles for issuing the order.

That much for background.

Now, for the current developments.

Secretary of Agriculture Clinton Anderson is now the War Food Administrator, and to him have descended the veto powers which Congress gave him in the 1945 Price-Control Continuation Act, which I have just cited to you.

When Economic Stabilizer Chester Bowles came along with this present order, it was referred to War Food Administrator Anderson, and on careful study he refused to give it his approval. Senator BANKHEAD stated today that he has information that the question was put up to Attorney General Tom Clark, for a decision, as to whether Mr. Anderson's approval on the order was necessary or not, and that Attorney General Clark ruled that it was—that the order could not be effective unless it had the written approval of War Food Administrator Anderson.

Thereupon, Mr. Chester Bowles, in his present role as Economic Stabilization Director, went back to the old process that was in use before Congress ever passed this Bankhead amendment, and issued a directive ordering War Food Administrator Anderson to sign the document, and it was only on the strength of that directive that Mr. Anderson did so, yesterday, and the order went forth.

Once more let me say that whether it was a good idea or a bad idea to increase the margin requirement on cotton futures is entirely aside from the point. The cotton farmers of the South will think it was a vicious idea, and the people in metropolitan areas will think it was a good idea if it will help to bring down the price of clothing, which it probably will not.

But morals and integrity of Government far transcend any controversy about details of that kind. The question is whether this was a legal and ethical and legitimate procedure or whether it was a clear and direct violation of the express and clearly understood orders of the Congress. Senator BANKHEAD expressed the opinion this afternoon that this was a violation of law, but then he said a funny thing. He added that something ought to be done about it, but how in the world could anyone stir up any Nation-wide public sympathy on a cotton question that affects only the South?

I suggested to the Senator that while few people in the United States as a whole are interested one way or the other in the question of cotton futures, a whole lot of them are interested in the integrity of Government and in the legality of the activities and administration by appointed officials, whether it's a case that involves cotton or wheat, or automobile tires, or fresh fish. Morals transcend all of these things. Morals are universal.

I asked the Senator what could be done. He said that the only thing that could be done would be for suits to be brought in Federal courts, or for the public of the Nation to raise such a protest and to present such a demand on Members of Congress that the Senate and House of Representatives would, perhaps, pass a resolution to the President, condemning the action of Mr. Bowles and demanding a repudiation of it.

He said that action depends upon what sort of demonstration of public opinion is forthcoming from the people of the Nation in the form of letters and telegrams to Congress from their constituents back home.

There is the situation, ladies and gentlemen: From here on, it's up to you.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment. If there be no further amendment to be offered the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. BALL. Mr. President, I move that Senate bill 1349 be recommitted to the Committee on Education and Labor.

Mr. GURNEY. I suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, if we must consider the motion to recommit, it will be necessary to have a quorum call. I am prepared to move that the Senate recess until 12 o'clock noon tomorrow.

Mr. KNOWLAND. Mr. President, I also suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from South Dakota has suggested the absence of a quorum.

Mr. BARKLEY. Will the Senator withdraw his suggestion of the absence of a quorum? There is no use trying to obtain the presence of a quorum now.

Mr. RUSSELL. I think a quorum is now present.

Mr. GURNEY. I do not like to see the bill passed unless more Members of the Senate are present.

Mr. BARKLEY. If my motion to recess is agreed to, we will not pass the bill until tomorrow. However, I withdraw my request that the Senator from South Dakota withdraw his suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BALL. Mr. President, I ask unanimous consent that the quorum call be vacated.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the quorum call is vacated.

The question is on agreeing to the motion of the Senator from Minnesota [Mr. BALL] to recommit the bill. [Putting the question.] The "noes" appear to have it. The "noes" have it, and the motion is rejected.

The PRESIDENT pro tempore. The bill having been read three times, the question is, Shall it pass?

The bill (S. 1349) was passed.

LEGISLATIVE PROGRAM

Mr. BARKLEY. Mr. President, I announce to the Senate, before Senators disperse, that it is my purpose to move

a recess until tomorrow, and that tomorrow the Senate take up the conference report on the so-called Petrillo legislation. I hope also we may pass the soldiers' vote bill, which is on the calendar ready for action.

BROADCASTING OF NONCOMMERCIAL CULTURAL OR EDUCATIONAL PROGRAMS

Mr. MORSE. Mr. President, in view of the fact that the Senate is to consider the so-called Petrillo bill tomorrow, I ask that there be published in the body of the RECORD an article which appeared in the Christian Science Monitor April 2, written by Mr. Richard L. Strout, entitled "Is Anti-Petrillo Bill Tight Enough?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS ANTI-PETRILLO BILL TIGHT ENOUGH?

(By Richard L. Strout)

WASHINGTON.—Even the authors of the wartime antistrike Smith-Connally Act now admit that it failed of its purpose. President Roosevelt vetoed it, but it was promptly passed over his veto. It was a bill directed at John L. Lewis, who did not mind it at all. It was an example of bungling legislation.

Now another bill is practically through Congress, directed at James Caesar Petrillo, head of the A. F. of L. Musicians' Union. It passed the House originally, 222 to 43, last month. On the second vote on the conference version the House lined up 186 to 16. So far the Senate has had no opportunity to vote on the measure except as a very much less detailed proposal, which it passed, without record vote, on February 1, 1945. How it will feel toward the Lea version (H. R. 5117) remains to be seen.

Of Mr. Petrillo himself, the less said the better. It is impossible to defend his attitude and his disregard of public opinion. Mr. Petrillo doesn't seem to know the kind of a world he is living in. He does organized labor a grave disservice.

Under these circumstances it would seem reasonable that Congress could do a competent job on the abuses which Mr. Petrillo represents. An effective legislature should be able to formulate competent measures to cure a given situation. There is grave doubt, however, whether the House has done so in this instance. According to the legal saying, bad cases make bad laws. It is questionable whether the anti-Petrillo bill, as the House has formulated it, is wise in some of its far-flung provisions; and some conservatives on the floor of the House challenge its constitutionality.

This bill does not apply merely to musicians. It applies to about anybody working on or around broadcasting stations and threatens to set important precedents for almost anybody drawing a royalty.

The language is loose. At one point there is the phrase "by other means," which seems to include strikes, and the penalty for invoking these "other means" may be a $1,000 fine or jail sentence of a year. This was too strong for Representative CHARLES A. HALLECK, Republican, of Indiana, a reasonable middle-of-the-roader. He proposed substituting, as a penalty, loss of rights under the Wagner Act, the proposal made in the Case bill. The House voted him down. Yet prison terms for refusing to work are surely uncommon in American jurisprudence.

Representative HOWARD W. SMITH, Democrat, of Virginia, co-author of the Smith-Connally Act, was asked whether workers who violated the provisions would be subjected to indictment, prosecution, and imprisonment.

"If 5 men, or 1 man, or 500 men violate the provisions of this act by doing any one of the things narrated therein," Mr. SMITH replied, "we might as well be frank about it, they subject themselves to the penalty of this bill."

Even the implied threat of strikes would apparently expose workers to criminal penalties.

The bill also enters a very complex and debatable field, the field of the artist versus the machine. Musicians have seen their performances recorded and then played over again on radios and juke boxes with misgiving. They are paid for their first performance, but how about all the others from canned music? In justice, is not some kind of fee or royalty for reproduction a reasonable objective? An author under copyright gets a royalty on each book sold; a music writer for each sheet of music. How about the performer, himself? Should he be debarred from appropriate fees on the multiple reproduction of his talent by mechanical means?

Perhaps this matter is debatable. But the pending bill seeks to fix the arrangements that are to exist between the musicians and the broadcasting companies. It would apparently ban such musicians' fees, or at least would ban them if they were backed up by strikes, or the threat of strikes.

It is hard to discuss a measure calmly in which James Caesar Petrillo figures. Yet, as one House Member put it, "I come not to praise Caesar—but I do not come, either, to bury the rights of labor."

LEAVES OF ABSENCE

Mr. RUSSELL. Mr. President, in view of the fact that I am compelled to be away from the city for a few days, I ask unanimous consent that I may have leave of absence from the Senate for a week.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to be absent tomorrow. I had already made arrangements to be in California.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAYBANK. Mr. President, I ask unanimous consent that I may be absent tomorrow and perhaps Monday. I shall return Monday, if possible.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I ask unanimous consent that I may be absent from the Senate tomorrow and such days next week as may be necessary to enable me to carry out my duties in connection with the Board of Visitors to the Naval Academy at Annapolis.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. LANGER. Mr. President, I ask unanimous consent that I may be absent tomorrow and Monday.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

THE REPUBLICAN NATIONAL COMMITTEE—STATEMENT BY SENATOR MORSE

Mr. MORSE. Mr. President, I ask that there be published in the body of the RECORD as a part of my remarks a statement I made in regard to the meeting of the Republican National Committee on April 1, last. I ask to have it in the body of the RECORD because there has already been published in the RECORD a statement of criticism of my comments, and in view of the fact that the statement in the RECORD does not contain my comments, I should like to have the Members of the Senate at least have a record of what those comments were.

Along with that statement as part of my remarks I should like to have published in the body of the RECORD an editorial which appeared in this morning's Washington Post entitled "GOP Chairman." It certainly is in support of the position which I took.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WAYNE MORSE

The meeting of the Republican National Committee at the Statler Hotel last night was a grand flop. If the program, which its leaders announced at the banquet, is to constitute Republican policy during the next 2 years, the Republican National Committee will reelect Harry Truman in spite of everything he is doing to defeat himself.

We listened to the same old clichés and reactionary nostrums ad nauseum which have produced Republican defeats since 1932. It is fortunate for the Republican Party that the overwhelming majority of Republican voters are progressive and forward looking. If they are given the chance, along with several million independent voters, to vote for forward-looking Republican candidates, the Republican Party will win in 1946 and 1948 irrespective of everything the reactionaries in control of the party machinery did yesterday to prevent it.

[From the Washington Post of April 5, 1946]

GOP CHAIRMAN

From the nature of the oratory which broke loose when the Republican National Committee met here the other day it is obvious that some GOP leaders are giddy over the prospects of victory in 1946 and 1948. They apparently consider their outlook more hopeful than at any time since 1928. But the committee gave no evidence that it is rising to the occasion with a new sense of responsibility. On the contrary, it turned out a typically uninspiring Old Guard performance.

Representative B. CARROLL REECE, who was elected Republican national chairman to direct the 1946 congressional campaign, is a wheelhorse who pulls for the most conservative faction of the GOP. His name was placed in nomination by Representative J. CLARENCE BROWN, a Bricker supporter. His voting record has the virtue of party loyalty, which means that it is largely negative and obstructionist. Former Gov. Harold E. Stassen, who has a large following among the more progressive elements of the party, hastened to take issue with Mr. REECE's "stand on many issues in the past" and to point out that his election as chairman should not constitute a decision on party policies and platform.

If the Republican hierarchy believes that the public will follow regardless of where it leads in 1946 and 1948, a rude awakening is probably in store. It is reasonable to assume that the GOP does have a great opportunity growing out of the fact that it has been the minority party through a period of peril and toil almost inevitably followed by a period of confusion and difficult retrenchment. But in our opinion, it will miss that opportunity if it assumes that the people will be content to relax and drift back to an era that, for better or worse, is gone. What is required now is vigorous leadership for the restoration and maintenance of peace.

INDUCEMENTS TO CITIZENS TO MAKE THE NAVY A CAREER

Mr. O'MAHONEY. Mr. President, for the use of the Senate, and for the Senate Committee on Military Affairs, I ask unanimous consent that the bill (S. 1438) to provide additional inducements to citizens of the United States to make the United States Naval Service a career, and for other purposes, be printed as passed by the House of Representatives with the amendments numbered.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of William G. Johnson, of Wyoming, to be register of the land office at Cheyenne, Wyo., which was referred to the Committee on Public Lands and Surveys.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry.

Norris E. Dodd, of Oregon, to be Under Secretary of Agriculture.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

UNITED NATIONS COMMISSION ON ATOMIC ENERGY

The legislative clerk read the nomination of Bernard M. Baruch to be representative of the United States of America on the United Nations Commission on Atomic Energy.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the postmaster nominations are confirmed en bloc.

Mr. BARKLEY. I ask unanimous consent that the President be immediately notified of all confirmations of today.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

Mr. WHERRY. Mr. President, I appeal to the majority leader that we recess until Monday.

Mr. BARKLEY. I see no reason why we should not meet tomorrow and dispose of one or two matters, one of which is privileged, so that we can clear the way to take up the veterans' housing bill on Monday. I do not think the Senator should ask that we postpone that legislation, in view of the emergency which exists. There will be many more than a quorum in town tomorrow, and I think we can dispose of these matters speedily.

Mr. WHERRY. I suggest to the distinguished majority leader that there will be many Senators absent tomorrow.

Mr. BARKLEY. I do not think there will be many absent who are not absent today. I think every Senator who is here today will be here tomorrow.

Mr. WHERRY. I absolutely know that not every Senator who was here today will be here tomorrow.

Mr. BARKLEY. I think we should work tomorrow.

Mr. WHERRY. The Senator has held the Senate here for three nights, and the Senate has been working very hard.

Mr. BARKLEY. No; I have not held the Senate here three nights. We stayed a little late day before yesterday and yesterday, but we are in good shape.

Mr. WHERRY. In view of the fact that there will be some Senators absent tomorrow, I appeal to the distinguished majority leader to recess the Senate until Monday, if he can see his way clear to do so.

Mr. BARKLEY. Mr. President, I think we should work tomorrow. I hope I can accomodate the Senator at some other time.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Kentucky, that the Senate take a recess until tomorrow.

The motion was agreed to; and (at 7 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Saturday, April 6, 1946, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 5 (legislative day of March 5), 1946:

REGISTER OF LAND OFFICE

William G. Johnson, of Wyoming, to be register of the land office at Cheyenne, Wyo. (Reappointment.)

CONFIRMATIONS

Executive nominations confirmed by the Senate April 5 (legislative day of March 5), 1946:

UNITED NATIONS COMMISSION ON ATOMIC ENERGY

Bernard M. Baruch, to be the representative of the United States of America on the United Nations Commission on Atomic Energy.

POSTMASTERS

COLORADO

Beverly E. Hodson, Dove Creek.

ILLINOIS

Lee L. Herrin, Herrin.
John Q. Rose, La Prairie.

INDIANA

Hubert P. Warren, Cortland.

IOWA

Arlene L. Murray, Johnston.

OHIO

Hilbert H. Martin, Middletown.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 5, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou most beneficent God increase our conception of the power of Thy love, made manifest through Jesus Christ our Lord. We praise Thee for the confidence and the everlasting surety that nothing can separate us from Thy love; not by our own attainments but by the mercy of Him who is the author and finisher of our faith. Grant Thy blessing upon Thy church universal, that it may be more and more fruitful and confident in the strength of our Redeemer and less confident in its own strength. The whole earth is sick and hungry and waiting for the touch of Thy compassion and Thy wonder-working power; O Sun of Righteousness, arise with healing in Thy wings, and in Thy name shall be the praise both now and forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 704) entitled "An act to authorize the Secretary of Agriculture to continue administration of, and ultimately liquidate, Federal rural rehabilitation projects, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. EILBO, Mr. HOEY, Mr. AIKEN, and Mr. BUSHFIELD to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include an article from the New York Times.

THE PUBLIC ATTITUDE ON STRIKE LEGISLATION

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, in working and voting for the enactment of the Case bill, I felt that I was acting not only in accordance with the wishes of the great bulk of the people I have the honor to represent in Congress but also in accordance with the wishes of labor-union members as well. I regarded the Case bill as prolabor rather than antilabor.

That I was right in my conclusions is evidenced by a Gallup poll published in this morning's Washington Post. Seventy percent of the people who expressed themselves in the poll were in favor of congressional action to remedy the strike

situation. Of union members themselves, more than a majority—52 percent—expressed a similar viewpoint. Only 36 percent of the union members were opposed to congressional action.

I regard these figures as highly significant. Labor leaders who place their own selfish interests above the interests of the Nation are no longer acting in accordance with the wishes of their own members.

EXTENSION OF REMARKS

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD and include a news item.

Mr. RICH asked and was given permission to extend his remarks in the RECORD in two instances; to include in one an article by Dan W. Gilbert entitled "Truth About Inflation" and in the other an article appearing in a Pennsylvania newspaper.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD and include a letter and a news article.

Mr. FULLER asked and was given permission to extend his remarks in the RECORD on the subject of exportation of American grain.

Mr. BUTLER asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a statement made before the Committee on Ways and Means on social security and in the other a newspaper article.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Milwaukee Journal.

Mr. McGEHEE asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a letter from the American Veterans of World War II to Hon. Robert E. Hannegan, and in the other an article by George Sokolsky.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL YEAR 1947

Mr. COFFEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes; and, pending that motion, I ask unanimous consent that general debate on the bill be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Nebraska [Mr. STEFAN] and myself.

Mr. STEFAN. Reserving the right to object, Mr. Speaker, is the gentleman from Washington willing to let debate go on and not limit it to any particular time?

Mr. COFFEE. That is agreeable to me. I am sure we will get through in a reasonable time.

The SPEAKER. Is there objection to the request of the gentleman from Washington, as modified?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Washington.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5990, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COFFEE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the House has before it this afternoon the annual supply bill for the District of Columbia for the fiscal year ending June 30, 1947.

The committee had this year for the first time the services of Mr. Bob Lambert, who has been a deputy clerk of the House Committee on Appropriations for many years. The committee desires through me at this time to express gratitude to Mr. Lambert for the very skillful and expert help he rendered to the members of the committee and the devotion which characterized all of his work. He worked night and day in attempting to secure the accurate facts relative to the complicated District of Columbia government.

The membership of the committee this year, aside from myself as chairman, includes the Honorable KARL STEFAN, Member of Congress from Nebraska, to whom all of the House and the country, as well as the people of the District of Columbia, owe an unrequitable debt of gratitude because the gentleman from Nebraska has devoted a tremendous amount of time and his limitless talents to the work of solving the problems confronting the people of the District of Columbia. We, in Congress, are very fortunate in having the valuable services of the ranking Republican member of the committee in the person of the gentleman from Nebraska, KARL STEFAN, because he has given of his energies on countless occasions, and has quietly gone down and examined District institutions, has initiated visits on his own volition to various institutions, and has, as a result, been able to bring to the subcommittee and the full committee accurate reports of what he observed.

We also have on the committee Mr. J. V. GARY, a new Member of Congress from the State of Virginia, Richmond. The gentleman from Virginia is a very valuable addition to the subcommittee because as a lawyer and a private citizen prior to his service in Congress he was very active in connection with civic affairs in the Commonwealth of Virginia, not only in the city of Richmond but on various boards, bodies, and municipal corporations with which he was identified in his capacity as a private citizen. Therefore, the committee is very pleased that he saw fit to accept service on the District of Columbia subcommittee because of his tremendous experience and the help he has been able to render by reason of those services in the past.

A new member of the committee, the gentleman from Pennsylvania, Mr. DANIEL J. FLOOD, was appointed just before the bill was reported to the House. We have not had the benefit yet of his attendance at the hearings of the committee.

The gentleman from Massachusetts [Mr. CURLEY] was not able most of the time to be present at the hearings. We missed him very much because of his great experience as a municipal official in the past.

The gentleman from Washington, Mr. WALT HORAN, likewise a member, gave very valuable service to the committee because of his wide and diverse knowledge of municipal functioning in his own area in the State of Washington.

The gentleman from New Jersey, Mr. GORDON CANFIELD, another minority member, also is a very diligent member of the committee and helped us very much in our deliberations.

Mr. Chairman, service on the Subcommittee on the District of Columbia is generally regarded by our colleagues of the House as a thankless job. Certainly no one can claim that there is much political advantage to be derived by reason of service on the District of Columbia Appropriations Committee nor on the legislative committee. Actually, it might have a deleterious effect, if it could have any positive effect upon one's political fortunes, because it might be charged that the energy and time one is devoting to the District of Columbia might better be spent upon one's own district or one's own State. Personally, I regard it as a valuable opportunity for public service, because the District of Columbia and the city of Washington are, for all practical purposes, the property of the entire Nation, and not just the property of the people who reside here. This is the Capital of the Nation, and the Congress, under the Constitution, is the trustee for the efficient operation of the District of Columbia government and also for the city of Washington government, which are coextensive.

I have found in my service that the opportunity to learn more about the complicated functioning of city government has been valuable to me. Having had a great many years' experience in connection with the operations of city, county, and State governments, as well as other municipal corporations in my own State of Washington, I have been able to be of some help in connection with this sort of work. It is difficult to point out to the Members of Congress in a short time the procedures under which the city government here must operate. It is a very complicated setup. Many of the functions of the District of Columbia are overlapping. Many of the activities in which the District of Columbia government has to engage are intertwined with the Federal Government. In many cases the taxpayers of the District of Columbia pay for the operations of activities which are

in themselves peculiarly Federal in nature, or at least are interwoven with the Federal Government. A classic example of that is the National Zoo. Most Members of Congress are familiar with the National Zoo, the main entrance of which is off Connecticut Avenue just beyond the Shoreham Hotel. The National Zoological Park is a national operation. It is the possession of the entire Nation, just as the Smithsonian Institution is, but whereas the Smithsonian Institution is operated by the Federal Government and is paid for by the Federal Government, the National Zoological Park is operated by the Smithsonian Institution but paid for entirely by the city of Washington taxpayers.

At the time this bill came before the full committee, there was a considerable amount of information in the report in which there was detailed with some particularity various activities of the District of Columbia which the subcommittee felt should be paid for in whole or in part by the Federal Government.

It is well to point out that in the city of Washington the total amount of property which is privately owned, that is, taxable property, amounts to $1,381,881,052. The total amount of property within the confines of the District of Columbia owned by the United States and which is nontaxable is $708,986,150. The total amount of property owned by the District of Columbia government, which is nontaxable, is $91,454,047. The total amount of property owned by embassies, foreign governments, and otherwise in that category, and all of which is not taxable, amounts to $122,250,352, making a grand total of all property in the District of Columbia of a valuation of $2,304,571,601. The subcommittee, in the form of a sort of obiter dicta, directed the clerk to write in the report some expression regarding the $6,000,000 contribution. Most Members of Congress are aware of the fact that out of the total budget estimates each year for the District of Columbia there is included $6,000,000 contribution from the Federal Government. This is supposed, in part at least, to make up for the loss in tax revenues, and as reimbursable payments for certain Federal functions which are in fact actually paid for by the District of Columbia taxpayers.

The total budget, as submitted to our committee this year, amounted to $81,505,000, or about $15,000,000 more than it was last year. The subcommittee recommended, instead of $81,505,000, an appropriation by Congress of $72,585,009, or a decrease below the budget estimate of $8,919,991. Of that $72,000,000, $6,000,000 is contributed by the Federal Government.

The neighborhood associations, civic improvement clubs, boards of trade, and various service groups of the city of Washington and of the District of Columbia are unanimous in their contention that the Federal contribution should be greater than $6,000,000.

The committee in its hearings listed considerable testimony as to the justification for an increase in the Federal contribution.

I think it is very proper and pertinent on the part of the members of the subcommittee, just as a matter of information, to point out to the Congress the summarized reasons why individual members of the subcommittee felt that $6,000,000 was an inadequate Federal contribution.

I might say parenthetically, however, that we are not requesting the Congress to appropriate more than the usual $6,000,000. We felt it did not come specifically strictly within the purview of the Appropriations Committee of the House to recommend an increase in the Federal contribution. We felt that technically that might be regarded as legislation on an appropriation bill, and should properly be presented to the District of Columbia legislative committee and by them debated and considered, and let them bring before the House for its consideration such recommendation as that committee cares to make, if any, urging increased Federal contribution each year for the cost of maintaining the municipal services in the city of Washington.

I might add, in fairness to everyone present, that when the report was submitted to the full Committee on Appropriations, some of the members of that committee felt that if the statements were included in the report of the subcommittee to the House, urging that an increase be made in the Federal contribution, it might be construed by the other body or by the people here, and with some logic, that that was a commitment on the part of the House of Representatives that it believed there should be an increase in the Federal contribution.

The committee entertained the arguments promulgated by our colleagues on the full committee and, not desiring to inject anything of a controversial nature, agreed to eliminate that section of the original report submitted to the full committee, which included arguments as to why there should be an increase in the Federal contribution. Technically, those gentlemen who proposed that that section be eliminated were correct, for, as a matter of fact, it is not specifically before the Congress. We are not asking in this bill for an increase in the Federal contribution.

In order to understand the difficulties of the appropriations for the District of Columbia, it is well for the Members of Congress to know some of the features with reference to that subject. For instance, the water used by all Federal departments and agencies in the District of Columbia and adjoining areas, is paid for exclusively by District of Columbia taxpayers. The water per year alone, consumed by the Federal Government and for which no reimbursement is made to the city government, amounts to $870,000.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Washington. I yield.

Mr. SMITH of Ohio. What is the real-estate tax rate?

Mr. COFFEE. The real-estate tax rate in the city of Washington is 1.75 percent.

Mr. SMITH of Ohio. Tell me why it is so low.

Mr. COFFEE. I shall be very glad to answer the gentleman from Ohio. The real-estate-tax rate here of 17½ mills—1.75 percent—is relatively low because the valuation for tax purposes here is supposed to be 100 percent of the market value as nearly as they can approximate it, whereas in many jurisdictions the tax rate is figured on 40, 60, or up to 70 percent of the value.

Mr. SMITH of Ohio. Does the gentleman believe that the tax valuation in Washington is equal to the market value?

Mr. COFFEE. Not at the present time.

Mr. SMITH of Ohio. I have been here now since 1939 and have given some attention to this particular problem. The conclusion I arrived at early was that the rate was comparatively low.

Mr. COFFEE. I think the gentleman is correct when you consider the subject in relation to the major cities of the country. There is a table in the hearings showing a comparison.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. COFFEE. Mr. Chairman, I yield myself 10 additional minutes.

The CHAIRMAN. The gentleman is recognized for 10 additional minutes.

Mr. COFFEE. There is a table in the hearings showing a comparison between the city of Washington and comparable cities of 300,000 and over on real-estate taxes.

One reason for the current seemingly low tax valuation as compared to the actual valuation is because during the war there was, as the gentleman knows, a tremendous boom in the prices of residence property such as homes. In many cases the market value has gone up 100 to 300 percent, whereas the assessor of taxes has not caught up yet with those changes. He contends it is a temporary condition which will readjust itself shortly, but the committee has recommended that he promptly readjust the valuations for tax purposes of those residences in areas where the sales have shown a rapid increase in value.

I may also say to the gentleman from Ohio that the value of many commercial properties has mushroomed as high as four and five hundred percent since 1940 by reason of the fact that Congress never did pass a law fixing a ceiling on commercial rents. The gentleman remembers the Barry bill is now pending but has not yet been acted upon. This bill would have placed commercial rents under the same limitations as residential rentals, but the bill has never been acted on. As a consequence commercial rents have increased three, four, and five hundred percent in many sections of the city.

Mr. SMITH of Ohio. I feel the rates are too low and should be raised considerably. I do not think it is fair to the taxpayers of the United States to pay some of the costs in the District of Columbia that should properly fall upon it.

Mr. COFFEE. I shall be pleased to yield the gentleman time during general debate if he cares to have it.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. COFFEE. I yield.

Mr. PLUMLEY. I wish to ask about a matter the gentleman has not touched on yet and do so at this time because I

am compelled to go to a committee hearing. I am very much interested in what the committee has done with respect to teachers' salaries within the District. Can the gentleman tell me briefly or does not the gentleman wish to go into that at this point?

Mr. COFFEE. I was coming to that later. I may say to the gentleman from Vermont that the matter of teachers' salaries comes within the purview of the legislative committee on the District of Columbia. They have a bill now pending to raise the teachers' salaries and if that is acted upon favorably by the Congress then it will be given appropriate attention by our committee.

Mr. PLUMLEY. But I believe the gentleman agrees with me that it is more necessary to increase the salaries of teachers to such point as to assure the people of the District competent teachers than it is to get new buildings.

Mr. COFFEE. I agree with the gentleman.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. COFFEE. I yield.

Mr. REES of Kansas. Referring again to the tax in the District, the real-estate and personal-property rate in the District is but one rate; such property is not taxed several times.

Mr. COFFEE. That is right.

Mr. REES of Kansas. In our State, we might have a State tax, county, township, and city taxes.

Mr. COFFEE. Yes.

Mr. REES of Kansas. So the $1.75 per 100 is really extremely low compared with the tax rate in cities of similar size throughout the country, even in view of the fact that they are supposed to have a tax rate on the full value of the property. Does the gentleman know of any city of comparable size, with the exception of one or two, where the tax rate is more favorable?

Mr. COFFEE. I may say that in some States they have a legislative provision or provisions of State constitutions which strictly limit the amount of assessment on real estate. I do not know whether that applies in Kansas or not.

Mr. REES of Kansas. It does for State taxes, but the counties and cities can go ahead and make such levies as they see fit, within certain limitations.

Mr. COFFEE. They also fix the total amount of the levy, including the forms of taxation, city, county, and State. In many cities, like New York, Detroit, and other cities, they have imposed city taxes, not on real estate but in other forms, over and above the States taxes, such as occupational, cigarette taxes, and otherwise.

I may say to the gentleman that there is now a committee of experts engaged in studying the whole structure of the District with a view to making recommendations to the Congress for appropriate changes. We expect that to come up here within 2 or 3 weeks.

Mr. REES of Kansas. Yes.

Mr. COFFEE. It requires a study by experts in that field.

Mr. REES of Kansas. I think that is a very good idea.

Mr. COFFEE. Mr. Chairman, in connection with the remarks that I have heretofore made as to the various functions of the District of Columbia which might properly be said to be a moral obligation, in part or in whole, on the Federal Government, there is the matter of recordation of discharge certificates of all veterans, regardless of their place of domicile. Thirty-five percent of all the recordations of veterans discharge certificates emanates from outside the District of Columbia, yet the Federal law requires that the District of Columbia taxpayers pay for all those and that the veteran not be charged for same.

In the District of Columbia we maintain a soldiers' and sailors' home that is a Federal activity for persons who come to the District to transact business with the Federal Government. It is not generally known that veterans come here from all over the United States and often cannot find hotel accommodations. Those who may be indigent are able to go to the soldiers' and sailors' home and secure accommodations for not too long periods of time, probably from 2 days to a week; yet that home is maintained in toto by the taxpayers of the District of Columbia. The veterans organizations, the Veterans' Bureau, and the District of Columbia budget officers have been working for years trying to find some way whereby that expense would be assumed by the veterans organizations, by the Veterans' Bureau, or by the Federal Government. It is felt that the service performed by the home is a valuable one and should be retained, but all fair-minded appraisers of the subject matter feel it is not properly an expense chargeable to the District of Columbia.

The city of Washington's Metropolitan Police are used to augment the Capitol Police force in guarding the Capitol of the United States and such city policemen are paid by the city of Washington.

All Federal prisoners in local institutions are maintained at the expense of the city of Washington, D. C., or the District of Columbia. The estimated cost is about $50,000 per annum. Where such prisoners are kept in other cities the entire cost is borne by the United States, but that is not true here.

There is also the matter of snow removal from around Federal buildings. Here that is all paid for by the taxpayers of the city of Washington.

In Washington the gutters and curbs in front of Federal property are paid for by the taxpayers of Washington, D. C. In all other jurisdictions such construction items are underwritten by the United States Government.

An interesting case is the sedition trial which filled so much space in the newspapers in recent years. This was paid for 50 percent by the taxpayers of the city of Washington, D. C. If this trial had been held in any other city the entire cost would have been borne by the Federal Government.

Here we have the guarding of the President and the policing of crowds at public functions where the President appears paid for by the taxpayers of the city of Washington. Then there are functions around various embassies. The policing of the crowds and the guarding of all officials is underwritten by the city government of the city of Washington and the local taxpayers pay for those policemen.

However, the request for this service is made to the Metropolitan Police force by the State Department here in Washington. In this city we maintain schools for children of nonresidents, and no charge is made to the nonresidents. We have tried repeatedly to get a bill through the Congress that a charge be made against the nonresidents, exclusive of Federal officials and Members of Congress, but so far we have not been able to get one through both Houses of Congress. We maintain here the National Capital parks, and though the parks are operated by the Department of the Interior and the Park Service, the policing and maintenance of such parks is paid for by the taxpayers of the District of Columbia. Originally the Federal contribution to the total cost of operating the District of Columbia government amounted to 50 percent of the total budget. Today it is less than 10 percent of the total budget. I do not want to go into too many details with reference to the operation of the District of Columbia government because I realize that most Members are not particularly interested in all phases of the operation of the municipal government here.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. COFFEE. Mr. Chairman, I yield myself 10 additional minutes.

I think it is a matter of satisfaction to the Congress to know that we have been able in this appropriation bill at this time to reduce the amounts sought by the city government of Washington for its annual operations $9,000,000, which is a greater decrease, proportionately, than has been made, so far as I can ascertain, in any appropriation bill presented to the Congress. Naturally this reduction is causing a great many repercussions throughout the city of Washington. The School Board feels that they have been too drastically cut. The Board of Public Welfare likewise feels that they have been too grievously limited in their operations. The Library Board feels that they should have been given more funds.

The reason why the subcommittee recommended this formidable cut is, first, because we felt the consensus of all of the Members of Congress was in favor of rigid economy in the operation of public government. We felt that we should cut to the bone where the same could be done without impairing any of the essential services of the city of Washington. We felt likewise, in the interest of setting a precedent for other governmental agencies in the city of Washington, that an example should be set. We also felt that some of the new employees requested were not shown to be needed. We likewise cut out about $5,000,000 in the requested appropriation this year for new construction. The Wyatt report, the Executive order issued by this administration with reference to the need for new public construction, was given serious consideration by our committee. We, therefore, provided in the bill that there be no funds provided for new construction, although justification was

given for new buildings, new school buildings, new welfare institutions, new branch libraries and new branch police stations. The committee was unanimous in the view, by reason of the shortage of critical material for veterans' houses and for housing generally that Mr. Wyatt was correct insofar as his official order applies to the District of Columbia; that we could defer construction of these needed buildings for at least 1 year. We also had to cut to the bone because we would only have had a cushion of $800,000 left in the municipal treasury if we had allowed in full the Budget requests which were submitted to us. The committee in past years was able to wipe out indebtedness of the District of Columbia amounting to $11,000,000. We also were able to create a surplus fund in the sum of $10,000,000, making a total of $21,000,000 in the war years. The $10,000,000 was invested in United States War Savings bonds. We did not want that all wiped out, but we wanted to have for future contingencies a sum of eight or nine million dollars to hedge against the possibility of subsequent increases being voted in the compensation paid employees of the District of Columbia.

The bill which passed the House yesterday will cost the District of Columbia several million dollars additional, above and beyond what we have provided in this bill, if it becomes a law. Had we allowed the budget in full as requested there would have been scarcely any funds whatsoever out of which to take care of the payment for the additional compensation, in addition to which the law requires that the city government of Washington be operated on a pay-as-you-go basis. We cannot have any bonded indebtedness. Everything must be paid for out of the current year's revenues. We cannot carry over the load to subsequent years. That, in sum, is the reason why we pursued a policy which to many people of good intent seemed to result in too severe a cut.

The police department of the city of Washington requested an additional appropriation for 125 more policemen, over and above the Budget estimate. The committee allowed the full budget estimate for the Metropolitan Police Department of the city of Washington, but it was felt that in view of the fact that most of the city policemen that have heretofore been used for guarding the embassies, guarding the bridges, and guarding the White House have now been returned to their other duties within the city, we could postpone the appropriation for 125 policemen over and above the budget until next year.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. COFFEE. I yield to the gentleman from Michigan.

Mr. DINGELL. I appreciate the thoroughness with which the gentleman generally scrutinizes demands of this nature. I understand, too, his attitude with regard to the needs in connection with public safety. For many years I have been of the impression that the city of Washington needs a substantial number of policemen added to the force. I am more convinced of that now than ever. May I make the suggestion that the city of Washington should be provided with sufficient funds—and I am a taxpayer here now so I can say this with some degree of right and authority—to have at least 600 additional patrolmen—300 police patrolmen, 100 scout cars, and 100 motorcycle police. The beats in the city of Washington are not patrolled as thoroughly as they are in other cities. I think that deficiency is dangerous to the public safety. I think it is one of the most important things that Congress ought to look into. I respectfully submit to my friend from Washington, the distinguished chairman of the subcommittee on appropriations for the District of Columbia, that he should go into that matter very carefully. The figure I have submitted may not be correct, that it ought to be 600, but it certainly should not be 125. The least I would ever compromise with as a Member of this House would be three times the number the Budget allowed for.

Mr. COFFEE. May I say to the gentlemen from Michigan that the 1946 appropriation for the Police Department of the city of Washington was $3,955,000, and we have increased that this year alone to $5,045,900, which is over a 20 percent increase in one year. This would indicate that we have not neglected it.

Mr. DINGELL. But it does not include the increase in personnel.

Mr. COFFEE. It increases some of the personnel, but not the request over and above the Budget. That was not in the Budget, may I say to the gentleman from Michigan, it was asked by Major Callahan of the committee, although there was no Budget estimate for it. If a showing is made subsequently in a supplemental estimate, we will be glad to consider it.

Mr. DINGELL. Of course, I personally will back any demand which will provide at any time for an increase in the personnel of the Police Department here in the city of Washington.

Mr. COFFEE. I know that the school district of the city of Washington is one of the best in the Nation. It is not as good as we would like it to be. We would like it to be better. We know there are many new school buildings needed, particularly in overcrowded areas. We wanted to allow funds for the construction of these needed buildings. But we considered the matter very carefully and in view of the critical shortage of building materials and in view of the fact that we are paying the top prices at the present moment for such materials as are obtainable, and in view of the fact that the Government has established a policy against construction, we have postponed that construction for 1 year. We did allow in this Budget provision for court stenographers for the municipal courts here, because it was found in the operation of the District of Columbia courts the judges had to spend most of their time making elaborate notes in longhand on foolscap paper in order to present any kind of a record in the event of the case going up on appeal. We did not allow all of the stenographers requested, but allowed half of the requested number.

Mr. Chairman, I will be glad to yield if there are any Members who want to inquire with respect to any phase of the District of Columbia government, because the subject is so enormous that I could not attempt to cover it.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. COFFEE. I yield to the gentleman.

Mr. HOFFMAN. In one of the Washington papers the other day, I noticed some criticism of Congress. I suppose the criticism was voiced because of this recent jail escape unless somebody got out this morning that I have not heard about. What difference does it make what Congress does if those who are on guard do not perform their duties. Do you know of anything that we can do to keep men in the jail as long as those down there charged with their custody do not attend to their business?

Mr. COFFEE. The gentleman from Michigan, in my judgment, is speaking the facts and making a sound observation. Certainly Congress should not be held culpable for the omissions and negligence on the part of guards and jail officials of the city of Washington. No one can justify the negligence which characterized the activities of the jail officials. No one rationally can blame Congress for the omissions of these employees. We cannot personally supervise the administrative operations of the municipal government. I agree with the gentleman from Michigan.

Mr. HOFFMAN. If I may be permitted, I suggest that if the committee holds an investigation, they should call the editorial writer or the publisher of the Washington Post and ask him just what we ought to do. He seems to know all about everything or he thinks he does; and we might delegate to him, if Congress has the authority, the power to go down there and sit and watch the prisoners if he does not think it is being done right.

Mr. COFFEE. May I call to the attention of the gentleman from Michigan that the Committee on the District of Columbia, of which the gentleman from South Carolina [Mr. McMILLAN] is chairman; that is, the legislative committee, is now engaged in an investigation of that whole situation, and that recommendation might well be made to him.

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COFFEE. I am very glad to yield to the gentleman.

Mr. BRADLEY of Michigan. Should not the jail officials be charged with the responsibility for placing as a guard in the death house an officer, a traffic policeman, I believe, who within recent years has been called up four different times for dereliction of duty on the police force of the District of Columbia? It seems to me we had better check into the District Police force.

Mr. COFFEE. I agree thoroughly with the gentleman. There was no possible reason why this policeman with a very bad record should have been put in that responsible spot. So far as I am concerned, I am opposed to fraternization

between guards, policemen, and criminals in penitentiaries. It is inimical to morale.

Mr. BRADLEY of Michigan. Does the gentleman know of any other prison in the United States where that would be tolerated?

Mr. COFFEE. No; I do not. I agree with the gentleman.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5990) making appropriations for the Government of the District of Columbia, and other activities, had come to no resolution thereon.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On March 20, 1946:

H. R. 4269. An act for the relief of Ida Barger, Hazel A. Beecher, Etta Clark, Jesse Ruth France, John W. Nolan, Anna Palubicki, and Frank J. Schrom; and

H. R. 5239. An act to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes.

On March 21, 1946:

H. J. Res. 301. Joint resolution to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

On March 22, 1946:

H. R. 5458. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

H. J. Res. 243. Joint resolution tendering the thanks of Congress to General of the Army George Catlett Marshall and to Fleet Admiral Ernest Joseph King and to the members of the armed forces of the United States who served under their direction; and providing for the striking and presentation to General Marshall and Fleet Admiral King of appropriate gold medals in the name of the people of the United States.

On March 28, 1946:

H. R. 2670. An act for the relief of the legal guardian of Kathleen Lawton McGuire;

H. R. 3012. An act for the relief of George W. Murrell; Kirby Murrell, a minor; and the estate of Mamie W. Murrell, deceased;

H. R. 3904. An act for the relief of Raymond C. Campbell;

H. R. 5201. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes;

H. R. 5671. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; and

H. R. 2008. An act for the relief of the village of Cold Spring, Minn.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that Committee on Banking and Currency may be permitted to sit this afternoon during the general debate on the District of Columbia appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

COMMITTEE ON MILITARY AFFAIRS

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may sit today during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1947

Mr. COFFEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5990, the District of Columbia appropriation bill for the fiscal year ending June 30, 1947.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5990, with Mr. FORAND in the chair.

Mr. STEFAN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I want to thank the distinguished gentleman from Washington [Mr. COFFEE] for his kind words. I also want to join him in paying commendation to our clerk, Mr. Bob Lambert, for the excellent and efficient work he has done in connection with this bill. As the chairman has said, it really is a thankless job to work on this District budget.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. Yes. I yield to the distinguished gentleman from New Jersey.

Mr. CANFIELD. I am glad to hear the gentleman pay tribute to my good and long-time friend, Robert Lambert, the clerk of this subcommittee. I think the House should know that on the 14th of February last Mr. Lambert observed his 26th year as an employee on Capitol Hill. He has always been courteous, friendly, and efficient.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the distinguished gentleman from Washington.

Mr. HORAN. I want to pay my respects to Bob Lambert also. He has handled several very difficult bills in addition to the District of Columbia appropriation bill, which is always difficult to handle, and he has always acquitted himself well. I think the House should know of the efficient and faithful and able work of the one who served as clerk of this subcommittee.

Mr. STEFAN. I thank the gentleman. I join with him in those sentiments.

The committee should know that a number of us have been working on two appropriation bills at the same time. That has been true with some of these valuable and efficient clerks. But on this particular bill the gentleman from Washington [Mr. COFFEE] carried the load. As one member of the committee, I want to thank him for the wonderful work he has accomplished, for his great ability and great knowledge of civic affairs gained from his home town in Washington State. It has reflected an unusual amount of good to the taxpayers and the people who live in our Nation's Capital.

Mr. Chairman, we have just completed 2 weeks of hearings on this bill, and the record is rather voluminous. We had before us an official representative of each department and agency of the District of Columbia government. Some of these agencies are almost completely Federal in character, some quasi-Federal and some purely municipal. The municipal structure is composed of about 70 departments, boards, and agencies, and over some of these groups the Commissioners have no administrative control whatsoever. In 1917, the appropriations for the District of Columbia approximated $16,000,000. For 1947, we were requested to appropriate in excess of $81,000,000. In 1917, the population was approximately 400,000, whereas today the population approximates 938,000. The amount of the bill, as reported by the committee, is $72,585,009, which is a decrease of $8,919,991 as compared with the 1947 Budget estimates, but an increase of $6,200,044 over District of Columbia appropriations for 1946.

The Capital City has had a remarkable and steady growth through the years, and it is contemplated that this growth will continue until the saturation point is reached, which under the present zoning, is about 1,200,000. Sitting as a city council for an organization of this character is intensely interesting, but it involves a lot of work and a great amount of thinking to arrive at conclusions as to what is best for not only local residents but for all the Federal interests in this Federal city. We are convinced that we have a good clean government and one which has made a remarkable showing during the war years. Indebtedness in excess of $16,000,000 has been wiped off the books.

A tidy little sum of ten million was put aside for capital improvements when priorities would permit. The representatives of the various departments naturally are quite interested in expanded services and the Commissioners were justified in presenting a budget which would more adequately represent the needs of the community and provide those capital improvements which were necessarily delayed because of the war. However, in their presentation it was shown that to balance the budget it would be necessary to use practically all of the reserve, so that, if approved in its entirety, there would remain an insufficient cushion for contingencies, such as a further increase in employees' salaries. The committee was disturbed over this situation and over the fact that the District government would be in a very unfavorable financial situation for the fiscal year 1948 unless some steps were immediately taken. This committee, as you know, is not only concerned with appropriations but is also very vitally concerned with revenue availability. The District has no borrowed indebtedness and cannot go into debt, nor has

it any power to borrow any money from any source unless authorized by the Congress. Naturally, we inquired into the reasons for the present dark financial outlook, and it readily became apparent that through the passage of laws over which the District has no control, involving increased compensation for employees, shorter work hours with night differential, and time and a half for overtime, as well as rapidly increasing cost in almost every field, the District's mounting budget was unavoidable.

You might recall that Congress increased the salaries of all school teachers and employees of the public-school system and all members of the Metropolitan Police and the Fire Department. These increases, with those given to the classified service, as well as those by per diem wage scale boards, ran into millions of dollars. We, as well as you, want to know what is going to be done to meet these additional burdens which have been and which are going to be placed upon the local government.

In 1917 the schools received $3,205,337. For the fiscal year 1947 the schools' budget request amounted to $19,486,100, or nearly four million more than it took to run the entire District government 30 years ago.

In 1917 the police department received $1,047,841. For 1947 the requests amounted to $5,150,900.

In 1917 the fire department received $750,372. For 1947 the requests amounted to $3,038,700.

In 1917 the refuse department needs were met with an appropriation of $566,350. In 1947 the requests amounted to $3,879,000.

There is no doubt about it, this is now a large and expensive city. Its 18,000 employees are receiving approximately $41,000,000 per annum in salaries, and the possibilities are that more millions in increases will be added to the pay roll. Don't let us forget, however, that someone has to pay the bill.

In 1920, a postwar year, elementary teachers' salaries ranged from a minimum of $600 in the first and second grades to a maximum of $1,100 in the fifth and sixth grades. In 1946, the salary range of elementary teachers is $1,900 to $2,900.

In 1920 police and firemen's salaries ranged from $1,460 to $1,660 for privates.

In 1946 the salary range for privates in these departments is $2,387 to $2,981.

It is to be observed that Congress has not been unmindful of the needs of these employees.

The Teachers Salary Act of 1945 added $1,404,000 to the pay roll.

The Police and Fire Act of 1945 added $1,520,000 to the pay roll.

The classified employees' increases added $2,125,000 to the pay roll.

The per diem and unclassified increases added $1,815,000 to the pay roll.

The 40-hour week was established, and time and a half for overtime and night differential all have the effect of shooting up municipal costs.

Before we go much further, very serious thought should be given to just how we are going to come out financially.

Perhaps we should also pause and review what we have done. From all reports the overtime and night-differential idea is not working at all satisfactorily in this municipal structure. But can we pause, or is this terrific undercurrent which seems to be creating vicious circles going to keep spinning round and round? Dissatisfaction and discontent is in the air, and much of it, I am sure, is inspired. It is my hope that as far as this municipal government is concerned all of these adjustments can be handled in their broad aspects as an over-all proposition and not as to any particular group or groups. In other words, I would like to see equality of treatment for all District employees, whether organized or not, and this equality can only be assured by very careful analysis and open and frank discussions.

PUBLIC WORKS

Our committee for years has been very definitely interested in the District public-works program. Our able chairman, with other members of the committee, has visited personally the institutions referred to in this bill. We know the condition of the Home for the Aged, the District jail, the workhouse, Gallinger Hospital, the District Training School, and the Glenn Dale Sanatorium. We would be delighted to see the requested improvements authorized, for in a number of instances the conditions are far from satisfactory.

Your committee is not responsible for the unwholesome conditions existing in the construction field. You simply cannot get a fair contract because conditions are so unstable, so uncertain. I agree with my colleagues that public agencies should cancel all but the most essential work. We are merely postponing for another and better day the improvement program of the District.

TAX STRUCTURE

We have been informed that the Commissioners have appointed a committee for the purpose of making a survey of the tax structure of the District of Columbia. This committee is composed of officials of the District government and 10 of Washington's citizens: Bruce Baird, Edward Carr, Wilbur S. Finch, Robert V. Fleming, Woolsey W. Hall, J. M. Heiser, Rufus S. Lusk, B. M. McKelway, Fred Walker, and James C. Wilkes.

This group is now deliberating and when their activities are completed recommendations will undoubtedly be made to this Congress which may result in increases adequate to care for the city's future financial needs. Out of this city's population of almost a million, only a little over 100,000 individuals are paying real-estate taxes, while less than 100,000 filed income-tax returns for 1945.

This committee examined witnesses in reference to certain phases of the revenues and I am confident that with a little study, revenue sources can be tapped which will not work a hardship on the people of this city. It is my belief that the citizens of this community will back and support a well-rounded program to increase taxation so that the municipal services of Washington will be second to none in the Nation.

FISCAL RELATIONS WITH THE FEDERAL GOVERNMENT

There are compelling reasons, however, why the Federal Government should not permit the residents to assume all the extra financial burdens during the postwar years. The Federal Government obligation is not, and should not be, based on the District's ability to function without assistance. The Federal obligation should not be considered as a contribution but as a payment. While the appropriations for the District of Columbia, payable from the general revenues, have increased 180 percent since 1921, the percentage proportion of the United States share has decreased from 40 percent in 1922 to approximately 9 percent in 1946.

On July 1, 1946, the assessed value of real estate in the District of Columbia owned by the Federal Government was in excess of $710,000,000, which at the rate paid by the taxpayers—$1.75 per $100 of assessed valuation—would amount to over $12,500,000 per annum. Free water amounts to nearly $900,000 per annum, while improvements, maintenance, and policing of nationally owned parks is in excess of a million dollars. The expense of the National Capital Park and Planning Commission and the National Zoological Park, in excess of $300,000 gives a total of almost fifteen million which the District could prove as a claim against the United States. The time has now come when we should face this problem with minds attuned to equity. This city is national, and the Nation should share in its maintenance and upkeep. It may be some time before we will reach an agreement on a formula method of determining the amount of Federal participation in the payment of District expenses, but I do not believe the District should be penalized because of inability to reach such an agreement. I think all should be in favor of increasing this payment now and making adjustments when the agreement on the formula has been reached.

RETURNING WAR VETERANS

The committee was pleased to learn during the course of the hearings that 702 employees had returned from the armed forces for reinstatement in their positions or ones of like character in the District government. It is contemplated that some eight hundred and ninety-two will shortly be reinstated in like manner. These men and women, as well as the other thousands who left this city in defense of this Nation, should be assisted in every possible way in obtaining livable housing accommodations.

I congratulate my chairman, the gentleman from Washington [Mr. COFFEE] and the other members of the committee, particularly the gentleman from Virginia [Mr. GARY] and the gentleman from New Jersey [Mr. CANFIELD], two new members of our subcommittee, who were untiring in their zeal and effort to produce a well-considered bill.

Mr. HOFFMAN. Mr. Chairman, I make the point of order that a quorum is not present.

Thee CHAIRMAN. The Chair will count. [After counting.] Sixty-eight Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 78]

Adams	Elsaesser	Miller, Nebr.
Allen, Ill.	Engel, Mich.	Mundt
Almond	Fisher	Murdock
Andrews, Ala.	Fulton	Murphy
Andrews, N. Y.	Gardner	Neely
Auchincloss	Gearhart	Norton
Baldwin, Md.	Gerlach	O'Brien, Ill.
Baldwin, N. Y.	Gibson	Outland
Barrett, Pa.	Gifford	Pace
Bates, Ky.	Granahan	Peterson, Fla.
Beall	Green	Pfeifer
Bishop	Gwinn, N. Y.	Ploeser
Bolton	Hall,	Price, Fla.
Bonner	Leonard W.	Price, Ill.
Bradley, Pa.	Hancock	Rabin
Brumbaugh	Hart	Rains
Buckley	Heffernan	Rayfiel
Bulwinkle	Howell	Reece, Tenn.
Bunker	Jarman	Robertson,
Burgin	Jennings	N. Dak.
Byrne, N. Y.	Johnson, Okla.	Robinson, Utah
Byrnes, Wis.	Kean	Roe, N. Y.
Cannon, Fla.	Kearney	Rogers, Fla.
Cannon, Mo.	Keefe	Rooney
Celler	Kelley, Pa.	Rowan
Chapman	Kelly, Ill.	Sadowski
Chiperfield	Keogh	Shafer
Clark	Kerr	Sharp
Clippinger	King	Sheppard
Cochran	Klein	Sikes
Cole, N. Y.	Knutson	Simpson, Pa.
Colmer	LaFollette	Slaughter
Courtney	Lane	Taylor
Curley	Lanham	Thom
Davis	Larcade	Torrens
Dawson	Latham	Traynor
Delaney,	LeCompte	White
John J.	Link	Wigglesworth
D'Ewart	Luce	Wolfenden, Pa.
Doughton, N. C.	Lynch	Wolverton, N. J.
Doyle	McGregor	Wood
Dworshak	Mansfield, Tex.	Vorley

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 5990, and finding itself without a quorum, he had directed the roll to be called when 307 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5990, with Mr. FORAND in the chair.

Mr. STEFAN. Mr. Chairman, I had about concluded my statement when the point of no quorum was made. I have nothing further to add with the exception of telling the Committee how deeply the chairman of the committee and myself feel with reference to the services of the new members of the committee, the gentleman from Virginia [Mr. GARY], the gentleman from New Jersey [Mr. CANFIELD], and others.

I now yield to the gentleman from Pennsylvania [Mr. GAVIN] and I appreciate his waiting to interrogate me until I concluded my statement.

Mr. GAVIN. I want to compliment the gentleman on his very fine statement and I want to compliment the committee for the careful study that it has given this $72,000,000 District of Columbia budget, but I have been wondering whether the Congress would give as much consideration and detailed study to the $4,400,000,000 British loan which means, I might say, a tax of about $30 a head on every man, woman, and child in the Nation. I wonder, if we did introduce such legislation to take care of this proposed loan to Britain and the American people realized that they would have to pay $30 cash on the barrel head right now to loan $4,000,000,000, how many taxpayers would be in favor of the British loan. I think the American people should be made aware of that fact and the fact that if you do grant this loan and do not make arrangements to pay you are adding to our already overburdened debt that the American taxpayer must pay eventually. The boys who were over there doing the fighting, and who are now coming back home must take off their coats and get a job and earn the money to pay the taxes to meet the cost of this loan. What does the gentleman think about that?

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. STEFAN. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, I yielded to the gentleman for a question. Does the gentleman from Pennsylvania want me to answer the question?

Mr. GAVIN. Yes. I am asking the gentleman whether or not he thinks Congress is going to give the same careful, detailed study to the British loan that they are giving to the $72,000,000 District of Columbia appropriation, which the gentleman discussed in minute detail.

Mr. STEFAN. In answer to the gentleman's question, he must realize this bill has nothing to do with the British loan. But if I were to answer the gentleman's question as to what Congress is going to do, I will say that I cannot tell what Congress is going to do. I have already made my statement on the proposed loan. I feel our first concern must be the American people.

Mr. GAVIN. Well, I do, too.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Illinois.

Mr. MASON. Is there anyone outside of God that could possibly foretell what the Congress would do on any matter of any kind?

Mr. STEFAN. The gentleman answers his own question.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Michigan.

Mr. DONDERO. Is the $72,000,000 that portion which the Federal Government pays to the District budget, or is that the total budget for the District and the Federal Government?

Mr. STEFAN. The $72,585,000, may I say to the gentleman from Michigan, includes the $6,000,000 Federal contribution.

Mr. DONDERO. In other words, the Federal Government furnishes $6,000,000 of the $72,000,000 budget?

Mr. STEFAN. That is right.

Mr. DONDERO. Or about one-twelfth?

Mr. STEFAN. That is right.

Mr. COFFEE. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, the press of other business will make it impracticable for Chairman CANNON to be present during the general debate on this appropriation bill. If he were here, I know he would call attention of the House to the splendid work the District of Columbia subcommittee has done in shaping this bill.

The District of Columbia appropriation bill is one of the most difficult of the appropriation measures to prepare, because it deals with local matters, and the subcommittee, and particularly the subcommittee chairman, must give much time to hearings and to weighing the views of local citizens and local civic bodies. They have a responsibility to the Nation and to the people of Washington in the work which they do and they feel that responsibility and discharge it after much thought and study. The preparation of this bill has been a long and arduous task, in the performance of which the able chairman and the members of his subcommittee have given their time and energy without stint.

The chairman of the subcommittee, the distinguished gentleman from Washington [Mr. COFFEE], has acquired a truly remarkable grasp of the local government and of the conduct and functioning of its many phases, and we of the committee have great faith and confidence in his judgment and recommendations. The very capable ranking minority member of the subcommittee, the gentleman from Nebraska [Mr. STEFAN], has given much attention to the Nation's Capital and has a comprehensive knowledge of its affairs.

As acting chairman of the Committee on Appropriations, I feel that I should be derelict not to voice this sincere expression of commendation. The gentleman from Washington and the members of his committee, and the executive secretary of the subcommittee, Bob Lambert, deserve the thanks of the House for doing an excellent job.

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BRADLEY].

Mr. BRADLEY of Michigan. Mr. Chairman, after our daily chores have been done on the Hill, my wife and I enjoy no greater relaxation than to attend a professional boxing bout or a night baseball game or, in the fall on Sundays, enjoy one of the Redskins professional football games.

Mr. Chairman, I have never asked for a pass to any of these contests, always preferring to pay my own way, and I have enjoyed these contests, and I believe, generally speaking, I have received my money's worth. If there is a more avid sports fan in this Congress than I am I will debate the issue with him.

But, Mr. Chairman, on behalf of the public and on behalf of the patrons who support these various sports in our District of Columbia, I profess that I am seriously concerned about the aboveboard evidences of gambling—professional gambling, if you please—that surrounds every sporting event in the Dis-

trict of Columbia, be it amateur or professional. One cannot attend a baseball game and even approach the men's rest room without hearing wagers made and seeing bets exchanged on all hands. One cannot even approach the ball park in the fall without he hears odds being offered and accepted by known professional gamblers on the ultimate result of the football game about to be played. One cannot sit in a ringside seat at a boxing bout in this city without he hears bets openly made or talked about, at least, and prefight ring decisions arrived at before the contestants even enter the ring, and then, to make things worse, at the completion of a bout any ringside spectator—as I have often been myself—can hear over his shoulder what the decision will be, and I am sorry to say frequently the decision is unfavorable to the obvious winner but favorable to the gambling fraternity.

Now, Mr. Chairman, this spectacle has become disgusting and nauseating to all true lovers of sports. Therefore, Mr. Chairman, I have introduced a bill today which would make it a felony for anyone to engage in gambling on any sports event conducted within the confines of the District. Everyone who offers a bet, takes a bet, pays off on a bet, or accepts payment of a bet, if convicted, would be subjected to a maximum of $5,000 fine or 5 years imprisonment, and he ought to be, if we are to keep sports on a high level in the District of Columbia, the Nation's capital.

Now, Mr. Chairman, I hope that bill will be referred to the District of Columbia Committee and I hope the chairman of the subcommittee handling sports within the District, the gentleman from Mississippi [Mr. McGEHEE] will give me some prompt action thereon. I know it is difficult to put your finger on any one particular gambler or on any one particular clique, but no one who patronizes the sports as often as I do after office hours can shut his eyes to the fact that this program is going on for the lucrative benefit of the few and to the detriment of all true sports lovers.

Now, Mr. Chairman, in the event this first bill does not receive prompt passage, I have offered two other bills today which I likewise hope will receive prompt consideration by the District of Columbia Committee. I have offered one which would henceforth prohibit all professional boxing in the District. My good friend, the gentleman from New Jersey [Mr. HARTLEY] some years ago introduced a bill which legalized the resumption of professional boxing in the District, but I think he, too, will join me in the belief that professional gambling has taken an unsavory control over the operations of professional boxing in this District, the Nation's Capital. I know that was not his intention when he sought to and did restore professional boxing in the District. He is a true sportsman, as I try to be and believe I am, and he wants to see clean bouts honestly conducted and in this connection, Mr. Chairman, may I say this: I have no fault to find with any particular promoter in the District, although I must confess that some of our bouts stink to high heaven and some of their matchmaking is still worse, based on what I have seen with my own two eyes. I want to pay whole-souled tribute to the efficiency of the staff of referees who have been licensed by the District Boxing Commission. I doubt that one could find a more able staff of referees; yes, and even of judges, in the entire United States. I think they are all eminently fair insofar as their personal judgment is concerned. I think, too, the Boxing Commission is trying to do an honestly sincere and excellent job, but it is mighty difficult to explain some of the things that happen within the square ring in Washington, and if that cannot be controlled by men as outstanding as these men, well, then, it is about time to call a halt to boxing in the District.

For instance, to cite but a few examples. Recently a former world's champion fought a young man—an up and coming youngster—in the largest arena in the District. The former champion fought a heady fight and obviously considerably outpointed the youngster. But, it had been announced on that very day the bout was staged that this youngster had been booked to fight another prominent local boy in the ball park some time in May, when they would probably draw a minimum gate of $60,000. The final decision was in favor of the local boy and against the ex-champion. It was loudly booed. Gamblers sitting immediately behind me told me before the boxers entered the ring, who was going to win and they bragged about it afterward with an "I told you so." In the semifinal bout immediately preceding that main bout on that particular night, a colored boy was obviously defeated by a wide margin but the gamblers behind me bragged in advance the worst he would get would be a draw, and lo and behold he won the decision on which possibly they collected some money.

To cite just one further case. Just about a week ago a very promising young local white light heavyweight, Jackie Cranford, fought a more seasoned local colored heavyweight by the name of Jimmie Bell. Bell had an excellent record, including a recently won decision over one of the outstanding heavyweights of the country, Joe Baksi, according to the afternoon local papers. At noon the day of the fight the odds were 11 to 5 in favor of Bell. For some strange reason by the time of the bell, the odds had dropped to 6 to 5. I have seen Bell fight a number of bouts. He usually has been keen, energetic, aggressive, and active from the time he entered the ring until he either gave or took a licking. This night he was dull, frowning, scowling, obviously ill at ease. He stalled through six rounds and finally got a couple of slaps in the face, a couple of punches in the stomach and then suddenly became too sick to come out for the seventh round. Once again the gamblers leaped in joy and I heard many of them tell how many hundreds of dollars they won on the fight. I congratulate the District Boxing Commission on setting young Jimmie Bell down for a number of months as they should have, but I say in all sincerity that I feel Jimmie Bell was the victim of the machinations of the gamblers. I have seen him fight too many clean, honest fights—giving or taking a licking—to be obviously forced to drop a fight as everyone suspected him of doing in this instance. I wish to detract none from an ex-serviceman, young Cranford, but I also believe Jimmie Bell is not yellow, that he was under orders, disgraceful orders, to "lay down" that others might profit. For shame.

No, Mr. Chairman, we have to clean up this mess. We have to clean up this obviously attempted control of every sport—professional and amateur—in the District by this clique of professional gamblers; and that is why I have introduced these first two bills.

Now in conclusion I want to say I introduced a third bill—one designed to prohibit in the future participation between black and white fighters in professional boxing engagements. I have seen to many evidences of impending race riots developing as a result of obvious overmatching on the part of either white or black boxers. We want no race riots in the District of Columbia. We want no unjust discrimination, but apparently these professional gamblers would have it otherwise, and until they are controlled probably we had better discontinue mixed bouts.

Mr. Chairman, I hope that the chairman of the subcommittee handling sports within the District of Columbia, the gentleman from Mississippi [Mr. McGEHEE] will bring all three of these measures up for hearing in the very near future and I hope this House will act favorably on each of these various bills which I have introduced today. In the interest of good clean sports in the District of Columbia such action must be taken.

Mr. STEFAN. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, whenever I see an appropriation bill reported by the Appropriations Subcommittee for the District of Columbia, I feel that at least here are a few heroes who contribute time and effort for the good of their country and for the good of the city of Washington for which they will get no thanks so far as I know in their own districts. At one time it was my privilege to serve on the Subcommittee of the Appropriations Committee for the District of Columbia and if ever anybody in my own district uttered a word of appreciation of that particular service it never came to my attention. Nevertheless, I know that these men who serve on this committee must put in a great deal of time not only on the bill but in dealing with District of Columbia matters generally. It takes a lot of time and energy and the only reward one gets is the feeling one has done something that has to be done together with the thanks that you get from the people in the District of Columbia.

I rose, Mr. Chairman, however, not only to say what I have about the work of the committee but also to call attention to a bill which I introduced a few days ago, House Joint Resolution 330. It is a resolution to create a capital clearance committee. I first introduced the bill

in the year before the war. It grew out of experience on the District of Columbia Appropriation Subcommittee and other appropriation committees dealing with the National Parks and Planning Commission. I found that we were continually being asked for funds to purchase land in the District of Columbia for Government buildings or for playgrounds or for parks that seemed to us to be very high in price. We also had called to our attention repeatedly the shortage of building ground for apartment units and houses, for commercial buildings as well as for Government buildings.

In observing the maps that were brought before us at various times it seemed obvious to me that a great deal of land was being devoted to purposes which might be better served in other locations. I have reference to large acreages used by such institutions as St. Elizabeths, the National Training School for Girls, the National Training School for Boys, and possibly the Soldiers' Home, although I think that is in a class different from these institutions which I have already mentioned, because the land was bought by funds of the soldiers themselves, although even there space might be found for placing some of the temporary housing for returned veterans.

At the time I first introduced the resolution there was considerable ground down near the old National Airport that was not being used for the best purpose to which it might be put. It may now all be gone, but that can be checked. And there are other places named in the resolution, running into several hundreds of acres.

The war came on and it seemed inadvisable to press the resolution at that time. However, it was discussed with members of the National Capital Park and Planning Commission and with Mr. Delano, the uncle of the late President Roosevelt. All of them showed a great deal of interest in the resolution and seemed to think there would be real value in having a survey and study made at least, to determine whether those large tracts of land in the District of Columbia might not be better applied to other uses, and the institutions that were presently located on them moved to points outside the District.

I do not know of any other large city in the country that affords itself the luxury of large acreages for such institutions as training schools within the city limits. In fact, a great many people would hold, I think, that it would be better for those training schools to be located outside the environs of a large city.

The same would probably hold true for St. Elizabeths. Everyone must have witnessed the gradual surrounding of St. Elizabeths with residential areas and in traveling to Congress Heights or the residential sections in that area have noticed the unusual amount of territory that is used by St. Elizabeths for farming purposes. Perhaps the farm offers good occupational therapy, but if so, more room exists outside of this growing city for more of it.

The Congress is called upon to appropriate out of both District funds and Federal funds for the purchase of land for parks. Although a great deal of that is reimbursed by District funds, yet it means a drain on the taxpayers in one form or another.

So it seems to me it would be appropriate for the Congress to authorize the creation of this Capital Clearance Commission to explore the situation and make recommendations. That is all the resolution which I have introduced does. It does not say that those institutions should be moved out of the District or must be moved. It merely says that the Chairman of the Capital Park and Planning Commission, the Administrator of the Federal Works Agency, and a representative from the Board of Commissioners for the District of Columbia should constitute a committee to determine whether or not those large acreages within the city are being put to their best use, and authorizes them to make recommendations on the basis of a survey and study.

I hope when the matter comes before the Committee on Public Buildings and Grounds that those of you who are interested in this matter will appear before that committee, and urge that the resolution be brought before the Congress for consideration.

Mr. Chairman, I yield back the remainder of my time.

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

HOMES FOR VETERANS OR SUBSIDIES FOR BUILDERS

Mr. HOFFMAN. Mr. Chairman, everyone is deeply grateful to those who served our country in her time of need. Unfortunately, a few civilians seek to capitalize either politically or financially on the desire to aid them.

Even Congress sometimes has difficulty in determining whether proposed legislation ostensively offered to, in some measure, compensate veterans for their services and create for them equality of opportunity, will bring about the desired result or is just another plan through which certain individuals expect to profit financially or politically.

The so-called Wyatt housing bill has some provisions which make it the latter. It provided for planning and spending but would not build real homes. The controversy over that bill grew not out of any desire to deny homes to veterans but out of the well-grounded suspicion that instead of a bill to enable a veteran to acquire a home, it was a bill which as written would have enabled some groups to profiteer at the expense of the veterans.

A SCARCITY OF HOMES

There is no doubt but that in some areas there is a scarcity of homes, of housing. During the war civilian building was at a standstill. Building material of all kinds, home furnishings, were off the market because our factories had been converted to the production of munitions of war.

Comparative high wages in war industries drew hundreds of thousands of workers, men and women, from the farms and the smaller towns into the cities. There they were crowded into apartments, lived in trailer camps, or temporary barracks. Some of them enjoyed conveniences and access to entertainment which they could not get in the communities from which they came. Many of them when the war ended were reluctant at the moment to return to their former homes. Some will sooner or later discover that the city has its inconveniences, that the comparative wage paid in the city meets high prices when it goes to market. Some will ultimately learn that the old home in the small town with its garden, the farm even with its hard work, offers as much if not more of real comfort and security than does the city.

During the war and since the fighting ended, hundreds of thousands of refugees—no one knows how many—have come into this country. Congressmen have been unable to learn from the State Department or from any other department of the Government how many refugees have entered our country in violation of our immigration laws. Some of our seaboard cities are crowded with them.

While our sympathy goes out to the unfortunate people of other lands and an overwhelming majority of us are willing to do everything possible and reasonable to aid them, admitting them in violation of our laws and giving them homes while our own servicemen and women go homeless, live in shacks, in barracks, or trailers, does not, to some of us, make sense.

When we know as we do that since the fighting ended some 38,000,000 board-feet of lumber has been or soon will be shipped out of this country and, coupled with that knowledge, is the fact that building materials cannot be obtained even with a veteran's priority, we begin to wonder whether all of the noise made in support of the housing bill comes from those who are the real friends of the veterans or from would-be profiteers and speculators.

Though the majority of the 10,000,000 or more Americans who were drafted or who enlisted had good homes; though more than a million of them who were or are casualties are not in need of homes, nevertheless the drop in construction and the marrying of the veterans has created a situation which demands relief, for all admit they should have an opportunity to obtain homes.

Congress must act, and, unless the veterans are to be disappointed and disillusioned, it must act quickly and, of the utmost importance, wisely.

THE BOWLES-WYATT HOUSING BILL

Knowing as we do that every Member of Congress has a sincere desire to give real aid to the veterans, the howling that burst on the air when a majority of the House uncovered the subsidy joker in the Bowles-Wyatt housing bill and sought to make it something other than a fraud upon the veterans was proof that someone's toes were being stepped on, someone's shins being kicked, the door to the opportunity for graft and profiteering being slammed shut.

The administration demanded the passage of this bill, without the changing of the dotting of an "i" or the crossing of a "t."

The bill, in addition to an appropriation of a billion dollars to finance loans to veterans to enable them to purchase homes, carried an appropriation of $600,000,000 for subsidies to contractors constructing the homes. By an overwhelming vote of the House the provision for the subsidy, that is, dollars to builders, was stricken from the bill.

Mr. Wyatt immediately set up a howl and some radio commentators who, from their squawking, you might have thought were having their oxen gored, went on the air to abuse Congress.

One Quentin Reynolds, speaking for Pepsi-Cola, which certainly made at least a substantial profit out of the war and which may have received more than its share of bottle caps made from the tin hoarded by the housewives and which granted one of the Roosevelts an agency for the sale of its products in a certain section of the country during the war, was greatly outraged by the action of the House in striking the subsidy provision from the bill. Over a national hookup on March 17, Reynolds said:

> Not one Republican voted for the bill and 33 Democrats joined the Republicans in killing it. Where were the liberal Republican Congressmen we've all come to admire so much lately? They were absent. Where were the liberal Democrats?
>
> More than a hundred of them stayed away when it came time to vote. They didn't want to vote against the high-power real-estate and building-material lobbies and they didn't want to go on record as voting against a bill designed to aid veterans. These are the people you and I send to Congress. We voted them in, these miserable cowards of both parties who didn't have the guts to stand up and be counted. Let's remember their names when it comes time for reelection. And let's remember the Producers Council and the National Association of Real Estate Boards.

His statement was not true and at the time he made it he knew, or should have known, by the exercise of ordinary diligence he could have known, that it was not true. The bill passed by an overwhelming vote—but 50 out of 435 Members of the House were absent and presumably they were absent on official business or because of illness. But the Democrats are taking that one lying down.

Mr. John C. Williamson, assistant legislative representative of the Veterans of Foreign Wars, appearing before the House Committee on Expenditures in the Executive Departments, referring to the Bowles-Wyatt housing bill, among other things, said:

> On the housing bill, Drew Pearson came out and said the "following Members are VAV (voting against veterans)."

Then Mr. Williamson added, and I quote:

> If the Veterans of Foreign Wars wanted to label Congressmen as voting against veterans' benefits it would demand a better criterion than the housing bill.

Thus he intimated that the bill was not all it should be. And he added:

> Nobody can convince me that the chairman of this committee could have that label applied, or anybody else.

A VETERAN'S HOME

More than one-half of the men and women who went to war lived in small towns, villages, and on farms. They want homes, not pens, coops, trailers, or barracks. To them a home for the future means a structure for which they have planned, worked, and saved. A home is a place where they expect to live, if not for life, at least for years. In it is to be the room where their children will be born, perhaps the room in which they will die. A home is a place to which you go for rest and comfort after the day's work is over. It is the place where the family gathers to talk and visit with each other, to exchange experiences and confidences, to plan for the future. A home is something more than a place to stay, to eat, and to sleep.

It is a sanctuary, a shrine, a "man's castle" the saying has it.

Veterans are entitled, as are other American citizens, to the opportunity to plan and to build their own homes. Veterans, because of the sacrifices they have made, because they were away during the war, because some of them are still away, because others seized and used the opportunities which the veterans would have had had they remained at home, are entitled to a preference, to a priority, to something better than the average, better than the opportunity available to other citizens.

Such a preference, such a priority, is not a matter of charity. It is a matter of right, a right earned by the service rendered abroad which was over, above, and beyond the service rendered by those of us who stayed at home.

Congress, in granting a veteran preference, priority; in equalizing opportunity for the veteran, has the duty of seeing to it that no one, no group, however shrewd, cunning, greedy, or whatever his political pull, will be able to take advantage of, to overreach, to defraud the veterans, and divert either appropriations or preferences from the veteran to the pockets of would-be profiteers.

Because the Bowles-Wyatt housing bill opened the door to the unscrupulous, the greedy, to the political profiteer, many of us looked upon it in its original form as a deception and a fraud, masquerading under a false label. Some, even after the subsidy provision was stricken, still realized that all the loopholes had not been plugged. It still provides opportunity for bureaucratic planning and spending.

Hence, the objection to its final passage. Many of those who voted for it evidently relied upon the other body to perfect it—upon conferees to make it impossible for any of the advantages given to be diverted from the veterans.

THE JOKER

Let us take a look at some of the individuals and the possibilities lurking in the shadows back of the housing bill.

More than one plan to furnish ready-made homes has been suggested. In the March 11 issue of Life for 1946, beginning on page 47, there is an article featuring a "bungalow biddy." It is described as a 165-ton gadget equipped to lay one concrete house per day.

The promoter did not offer to build houses, but proposed to rent the "biddy" units to contractors for $11,000 per month, to pour a one-story 24 by 30 concrete house equipped with plumbing, wiring, painting, at a cost of approximately $2,600. Apparently this plan did not get very far, for we have heard little of it. Perhaps Mr. LeTourneau did not know the right people.

A prior suggestion, whose promoters evidently do know some individuals in the right places, capable of and willing to give assistance, was carried in Business Week of February 10, 1945, on page 40. The article was captioned, "House united." Then follows these lines, "Designer, plane builder, and union leaders combine to make 'dwelling machine' to bid for postwar mass market."

From the article we learn that a Beech aircraft plant at Wichita, Kans., was then turning out parts for the prototype model of a prefabricated dwelling. The house was to be called the Dymaxion dwelling machine. Among the men behind the proposed mass production of these dwellings was William S. Wasserman, reported to be a capitalist from Philadelphia; Lawrence Hartnett, described as a president of General Motors of Australia; Mr. T. K. Quinn, formerly a president of the Maxon Advertising Agency and the then president of the Monitor Equipment Corp.; Harvey Brown, president of the A. F. of L.'s machinists' union.

It was also proposed that an officer of the National Farmers Union was to have a seat on the board, as was Leon Henderson, upon return from his then current Government mission.

The corporation's bylaws, Business Week states—page 42—provided that the stockholders should also elect from the A. F. of L. International Association of Machinists one member, one from CIO-UAW, and another from the National Farmers Union.

Just how those back of this plan, with millions of Government subsidies and billions or more dollars available for loans to prospective purchasers, intend to harmonize the basic difference of opinion between A. F. of L. and the CIO union members has not yet been disclosed. The CIO will have men on the board. James Dickerson, international representative of the United Steel Workers, a CIO union, took the post with the approval of CIO President Phillip Murray. Harvey Brown, president of the International Association of Machinists, is also on the board.

He was suspended from the A. F. of L. council, and that union has had a series of jurisdictional disputes with A. F. of L. affiliates, including one with William L. Hutchinson's carpenters' union.

As we know from past experience, some of the A. F. of L. and CIO unions have at times bitterly opposed the use of prefabricated materials in the construction industry. As a matter of fact, some of the most bitter labor disputes, some which have caused a complete stoppage of construction work, have grown out of jurisdictional disputes, either between affiliates of the A. F. of L. or between affiliates of the A. F. of L. and affiliates of the CIO.

It is to be hoped, but it is too much to expect, that the union politicians will forget their differences of opinion when constructing homes for veterans.

Already we learn that one carpenters' union, A. F. of L., is opposing Wyatt's proposed guaranteed markets for prefabricated homes.

SOME WHO PUSH PREFABRICATED HOUSING

The name "Dymaxion dwelling machine" had little appeal, nor apparently did Dymaxion houses sell readily. Later the Beech Aircraft Corp. created Fuller houses. An illustration and a description of this so-called house are found in Life of April 1, 1946. There it is suggested as the "newest answer to housing shortage." It is described as "round, shiny, hangs on a mast, and is made in an airplane factory." It is one-story in height, 36-foot diameter, has four wedge-shaped rooms, two baths, range, dishwasher, refrigerator, garbage-disposal unit, three revolving closets, and three electric bureaus. The proposed price is $6,500.

It looks somewhat like an enlarged and glorified version of the metal brooder and hog houses one sees when traveling about agricultural districts. It looks strictly mechanically made, what some would call ultra-modern with apparently everything except a self-feeder. It may be the answer—who knows?

Whether veterans or others will buy it in quantities depends largely upon whether prospective purchasers like a prefabricated home all made to order as much like the neighbor's house as two peas in the same pod.

Others pushing prefabricated housing include former War Production Board employees, who are cashing in on their labor-management committee promotion as officials of the War Production drive. They are T. K. Quinn, who was director general of the War Production drive; Herman Wolf, who was chief of the drive's committee materials branch, otherwise known as the information or "propaganda branch," and Gregory Bardacke, who was active in the drive, although actually on the pay roll of the Office of Labor Production.

Business Week states:

> The labor-management cooperation angle in the new company developed after Fuller (R. Buckminster Fuller) met two young union men, quite by accident, in the Washington office of Representative CLARE LUCE. He was there to lunch with an old friend. They were there to discuss some pending labor legislation. They soon found they had common interests.
>
> The two young men were Gregory Bardacke and Herman Wolf, since become vice president and secretary-treasurer, respectively, of Dymaxion Dwelling Machines, Inc. Both had backgrounds as officials in the labor movement, Bardacke with the hatters' union, Wolf with the ladies' garment workers.

Bardacke is listed in the index of the congressional Committee on Un-American Activities. The committee provides the following information:

> Bardacke, Gregory: Student Congress Against War (December 1932); member, national committee (Syracuse University); executive hearings, page 3179; pamphlet, Fight War, page 4; Appendix, page 1620.
>
> Bardeke, Gregory: Communist Party members on CIO organization pay rolls: "206, Gregory Bardeke, Herkimer, N. Y. This man is an organizer for the Lady Garment Workers, which is a CIO affiliate. He was a student at Syracuse University and was known as one of the radical leaders of that school. He was also mixed up in the activities in the students union, which is a Communist outfit." Public hearings, page 128; testimony and records of John P. Frey, president of the Metal Trades Department of the American Federation of Labor.

Bardacke is a resident of the Defense Homes Corporation housing development, Naylor Gardens, in the Southeast. His wife, Beatrice, is a leader in a movement for a cooperative to purchase the buildings from Defense Homes.

Her name also came up recently at a meeting in a colored citizen's residence on Alabama Avenue, near Naylor Gardens, in connection with formation of a youth group with a colored mayor and white chief of police, or vice versa, for the purpose of the young people teaching tolerance to their parents.

In WPB, Bardacke went all out for the CIO at every opportunity, and made no bones about it. He acted as a member of the board of censorship for the Government weekly, Labor and Management News.

Wolf was in charge of the policies of Labor and Management News in his capacity as chief of the Committee Materials Branch, and was instrumental in having Bardacke serve as a "checker for labor policy," together with Roy Reuther, brother of Walter and Victor.

Wolf came to the War Production Board via the Treasury Department labor section of War bonds sales promotion. He has previously been engaged in labor publicity in New York, and was a member of the New York CIO Newspaper Guild. He was one of the members of the publications unit of the International Ladies' Garment Workers' Union on trial before the guild because of activities in connection with the Jewish Day strike. The trial was called off, it is understood, after Hitler invaded Russia.

Wolf, who has claimed to be a former editor of the Socialist Call, was described by the New York Times as spokesman for the labor press for the third term in 1940. He was then associated with David Dubinsky's Justice.

Wolf and Bardacke have been very close for years, Wolf himself has said. They started work on the Dymaxion deal sometime before resigning from WPB.

Theodore K. Quinn was brought in to be Director General of the War Production drive at a time when the drive was at a standstill. President of Maxon Advertising Agency in New York, he brought much promotional drive to the drive. He professed to represent management but actually sided in consistently with the CIO people, who made up by far the greater part of the War Production drive headquarters personnel.

His father was one of the early champions of the Knights of Labor. He is the author of Liberty, Employment, and No More Wars. He left Government to the tune of a blast on the floor of Congress from the gentleman from California [Mr. VOORHIS], who branded Quinn as an undesirable type of $1-a-year man.

The gentleman from California charged that Quinn had used the columns of the Government weekly, Labor and Management News, to advertise private sale at about $6 per copy of a labor-management manual, which Quinn published with Lou Falzer, of Chicago, the research head for the drive. Quinn is supposed to have returned to New York, accompanied by Falzer, to conduct a firm on labor-management relations.

Bearing in mind that the drive was run to increase the power and prestige of CIO unions in return for gaining support for the fourth term, it can be realized that harmony and teamwork between labor and management were not benefited greatly by the drive, which originated in the minds of Mr. Roosevelt and Mr. Donald Nelson in the early months of 1942. The drive was abolished after fulfilling the description given it by Henry Ford as a "political vehicle designed a long time ago to push labor farther into management."

It is ironic that Wolf and Bardacke, bitter in their denunciation of practically every American businessman and industrialist — "management stinks," "management is lousy," "Eddie Rickenbacker is public enemy No. 1," and so forth—should now be among the leading tycoons of the postwar housing industry.

Among their associates in Government were William Ellison Chalmers, formerly of the International Labour Office at Geneva; Alex Nordholm; Tommy Burns of the Rubber Union; Dorothea De Schweinitz; Flo Sochis, alias Pryor, formerly of the hosiery union and Washington CIO Newspaper Guild; Bernie Seaman, cartoonist for Dubinsky, who was placed on the Government pay roll by Wolf; Ted Sargent, Boston CIO Newspaper Guild, and many other left-wingers who ran the drive down a one-way street for the exclusive profit of the CIO. Miss Muriel Ferris of the drive, formerly of OPA Labor Section, left the drive following disclosures by the Dies committee. She worked in Miss De Schweinitz's section on committee information.

LIKE PEAS IN A POD

It has always been difficult to sell the same style dress, hats of the same type, to the women of the country. Perhaps veterans' wives and their husbands will temporarily, for want of something more individually designed, accept and purchase them. Perhaps veterans and their wives will want an old-fashioned home such as pa and ma had. Not everyone likes the same model automobile. If people generally or in this case the veteran can be induced to purchase a house, a home similar to that of another thousand or million veterans, the plan may be the answer.

Apparently those proposing this answer to the housing shortage were not content to invest their money, go into mass production, without some Federal assurance that the houses could and would be sold at a profit. It may be that the Bowles-Wyatt-Administration housing bill was the answer to their prayer. That bill not only carried a billion dollars to underwrite loans to veterans to purchase homes, but it carried a $600,000,000 subsidy. Is it probable that that $600,000,000 subsidy was inserted in the

bill at the request of Mr. Wyatt, at the request of Mr. Bowles?

Mr. Wyatt has repeatedly said in effect that without the subsidy the housing bill was worthless. Does not that show that Mr. Wyatt thinks they are worth less than the price asked—hence demands a bonus payment to Mr. Henderson and associates?

We are advised that as long ago as January 11, Mr. Bowles wrote Mr. Wyatt stating that the Government should place "large orders" with prefabricators at prices which would "assure the producers in this field a generous profit." Yesterday's press said 250,000 were to be built in 1946—600,000 in 1947. If each is to be produced at a "generous profit," as suggested by Mr. Bowles, that means, for 850,000 units, there will be a sizable kitty to be split.

Mr. Bowles, we recall, when head of the OPA was quite insistent that manufacturers and producers should be limited as to the price which they could charge buyers and consumers. He went so far as to adopt the policy that if a manufacturer was losing money he might only obtain a higher price for his product by making application to OPA after—note that "after"—he had for 6 months sustained a loss; provided, however, that he was not in any of his businesses or rather in his over-all business enterprises, making a profit, and provided further, that under regulation 119, he submitted in his future operations to being guided by the regulations of OPA; and provided, further, that after 6 months' losses he was still in business.

THE GOVERNMENT AS THE PURCHASER

Just why Mr. Bowles suggested to Mr. Wyatt that the builder of prefabricated houses should be given large orders by the Government at a price which would "assure the producers in this field a generous profit" is something of a mystery to some of us. It sounds like good advertising, but for whom is Mr. Bowles selling and what is he selling—homes for veterans or contracts for builders of prefabricated dwellings?

Just why, in his campaign to sell prefabricated housing, Mr. Bowles should also refer to Henry Kaiser as a man of "vision and boldness and drive" is likewise somewhat strange in view of the fact that many a manufacturer and businessman who never received a dollar of Government money, either as loan or subsidy, did as good and thorough a job as did Kaiser. Mr. Kaiser seems to be the administration's pet.

From Mr. Unzicker of RFC we received the report on March 22, 1946, that the balance outstanding as of February 28, 1946, on RFC loans totaled $286,653,000. The balance outstanding as of March 12, 1946, on loans to Kaiser Co., Inc., was $103,268,200 or approximately 36 percent of the total outstanding loans of RFC.

Kaiser, as we know, was able, notwithstanding the Federal Security Commission, to collect millions of dollars from sales of stock in the Kaiser-Frazer automobile outfit, even though the corporation's cars were not on the market for delivery.

KAISER, THE ADMINISTRATION'S PET

Mr. Kaiser, you will recall, is the administration's fair-haired boy. He it was who came arm in arm with Phil Murray out of the White House, announcing a settlement of his labor dispute. Kaiser was able to meet the demands of organized labor for an increase in wages because, under the policy of OPA, the price of any automobile which might be manufactured by him was not limited by the cost of production of previous years—under OPA as administered by Mr. Bowles, who praised him as a "man of vision and boldness."

Mr. Kaiser was able to get a price which included his labor costs as well as the prices of the material he used and other costs. His competitors, such as General Motors, Ford, and Chrysler, by Bowles' OPA regulation, had their present prices fixed by prices they charged for automobiles made in previous years when wages were much lower, prices of materials considerably less. The great advantage that Kaiser received under Bowles' OPA rules and regulations is apparent to all.

It is possible that Bowles was intending, by his laudatory reference to Kaiser, to put Kaiser into the mass production of prefabricated housing and in a position to receive a substantial part of the $600,000,000 subsidy; to have, as Bowles said, "a generous profit"?

We do recall that Kaiser has a scheme of his own to manufacture prefabricated houses. Not long ago, he put on a demonstration of his plan and house here in Washington.

WHO SHARES IN THE MELON CUTTING

Whether the $600,000,000 subsidy, or part of it, is to go to Kaiser, to Beech Aircraft Corp., manufacturers of the Fuller Homes, or to some other concern manufacturing prefabricated houses, we are not aware.

We are, however, aware that both Mr. Wyatt and Mr. Bowles are insistent that the bill carry a subsidy of millions of dollars; that Mr. Bowles, contrary to his announced policy in practically every other instance and line, suggests that the suppliers of prefabricated houses receive large Government orders at a price which will "assure the producers in this field a generous profit."

Well, few of us want to vote money which must be borrowed, in the end repaid in large part by the veterans and their descendants, as subsidies for the purpose of securing "generous profits" to anyone. It reads too much like postwar profiteers.

Veterans are entitled to homes; are entitled to homes which do not require them to pay either an exorbitant price or a generous profit to anyone. A reasonable, a fair, profit is all that any veteran should be required to pay when seeking a home. Veterans want, and should have, homes—not plans and subsidies to contractors.

IS WYATT A GOOD ADMINISTRATOR?

When the bill was under consideration on the floor of the House, the gentleman from Ohio [Mr. SMITH] charged that Mr. Wyatt recently sold a house which cost him $10,000 for $25,000. Friends of Mr. Wyatt defended the transaction.

It appears from the remarks of the gentleman from Kentucky [Mr. ROBSION]—CONGRESSIONAL RECORD, February 28, page 1772—that, while Mr. Wyatt was elected mayor of Louisville, Ky., in 1941, and served until 1945; that, while he developed a powerful political machine, the Republicans in 1945 elected all of the 12 aldermen, including one colored man, and practically all of the city and county officials.

That may or may not be an indication that Mr. Wyatt does not wear well. Sometimes even the best of men, the most competent administrators, are kicked out of office after a short public service.

On page 2 of the October 15, 1945, issue of the Kentucky Statesman there is a cartoon, and cartoons are often unjust, showing Wilson Wyatt as a Charlie McCarthy. Evidently a campaign was on, for Mr. Wyatt, as Charlie, is credited as saying:

> I am being slugged politically because I recognized that veterans coming through Louisville with money would be natural targets for hold-up men and the prey of "camp follower" types of girls. That three veterans have been victims in robberies and cuttings in the last 2 nights is naturally regrettable but it doesn't indicate that law enforcement has broken down here in the least.

If Mr. Wyatt then had the great desire to assist the veterans which he now seems to have, why did he not clean up the town instead of permitting veterans to be targets of hold-up men and the prey of camp-follower types of girls? Perhaps that is all water over the dam and there really was nothing to it.

It is a warning that we should watch closely the distribution of a $600,000,000 subsidy; that we should be sure to guard any further appropriation from any possibility that politicians might get their fingers in the pot.

VETERANS SHOULD NOT BE REQUIRED TO PAY "GENEROUS PROFITS"

Apparently, close collaboration between Mr. Bowles, who, in talking about furnishing homes for veterans, expressed the earnest desire that those selling prefabricated homes for the veterans should receive a "generous profit," and Mr. Wyatt, who is alleged to have sold a private home at a profit, indicates they may have similar ideas as to the method of procedure while in the case of others manufacturing goods for civilian and veterans' use he sought to deny a profit.

Mr. Wyatt, whose acceptance of something more than a generous profit when selling private property, coupled with Mr. Bowles' favorable praise of Mr. Kaiser, who borrowed millions from RFC and who during the war operated largely on Government money, convinces some that Wyatt should not be placed in a position where he can use hundreds of millions of dollars to aid manufacturers of prefabricated houses in their effor to supply veterans not with homes but with glorified brooderhouses.

VETERANS ARE ENTITLED TO HOMES

Veterans are entitled to the opportunity to purchase a home at a fair price and on fair terms. They should be given by the Federal Government whatever aid they

may need. Their desire to have homes of their own, built according to their own plans, on the locations selected by them, should be met by Federal legislation which will protect them from profiteers of all kinds, from those all too ready to exploit them, to sell them homes at an excessive price.

If Mr. Bowles had permitted—if Paul Porter will permit—the production of lumber, of building materials, of the electric equipment which every home needs, and should have, by allowing an adequate ceiling price on all those materials which are needed if homes are to be built, the veterans would today be able to build their own homes, out of the usual building material, if granted the aid which the Congress stands ready to give.

Not only has the OPA created a scarcity by its price limitations, but the administration has sent and continues to send not only building material but articles needed to complete a home, to make it livable, out of the country, beyond the reach of the veterans, to aid the peoples of other nations, some of whom fought against, some of whom caused the death of, the buddies of these veterans who are now asking just treatment.

Paul Porter, succeeding Bowles, should pound a little common sense into the OPA organization, should lift restrictions, Government regulations. Mr. Porter and Bowles should join Wyatt, forget prefabricated, packaged houses, do something to give veterans an up-to-date, old-fashioned American home. That is what the Members of Congress, including your humble servant, desire to do.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. HORAN], a member of the committee.

Mr. HORAN. Mr. Chairman, I shall not take the 5 minutes. I merely want to call the attention of the membership to the hearings that are furnished to the members of the committee at this time and to call their attention to the statements therein, particularly the statement of Mr. Walter Fowler, the able budget officer for the District government. It is always open season for those who wish to revise and change the system of government for the District of Columbia. I, personally, think it is a very, very rich field for reform, and proposals are constantly placed before us. I am sure that those who are interested in such matters, sincerely interested, who are looking for the facts, will find this set of hearings very helpful. You will find there the sources of revenue for the District of Columbia in the latest and most complete form. You will also find by looking through the hearings that your subcommittee of the Committee on Appropriations was diligent in trying to find new ways to raise tax revenues for the District of Columbia and to make a matter of record the revenues of each division. Those who may have some question in their mind as to where the revenues which run the metropolitan area that we call the District of Columbia come from may get an answer to their question by turning to pages 15 and 16 of the hearings.

Mr. COFFEE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I thank the chairman of the committee for giving me this time and wish to compliment him for his fine work on this bill. On yesterday there were some speeches delivered on this floor that I wanted very deeply to have the opportunity to answer at that time. They had to do with the subject of inflation, the general idea of them being that the bill we passed on yesterday to increase the pay of Federal workers was a cause of inflation, than which, it seems to me, nothing could be very much farther from the real mark.

The cause of inflation goes back to the period of the war; it goes back to the fact that the Congress did not at that time provide for sufficient taxation to pay for the cost of that war as it was being fought. Consequently we permitted a considerable proportion of the cost of that war, indeed a little more than half of it, to be paid out of borrowed funds. Furthermore, only about 58 percent of those borrowed funds came from money that was actually in the possession of the people who bought the bonds, and the other 42 percent of the borrowed money was accomplished by permitting the Federal Reserve banks or the commercial banks of this Nation to write up on their books in their war bond deposit accounts brand new deposits, absolutely new money, and to use that money for the purchase of interest-bearing obligations of the American people.

Today those banks hold $106,000,000,000 worth of bonds purchased in that way, and representing that amount of so-called debt that never should have been debt, because it resulted from the original creation of money which ought to be a function of the Government itself. There is where inflation comes from.

Some Members are constantly talking about Congress or the Government creating money. The fact is of course that, except only for a small amount of silver seigniorage, no agency of the United States Government has created a dollar of money since Abraham Lincoln did so to pay for a portion of the Civil War and thus saved the taxpayers of the Nation billions of dollars in interest. Instead, private banks have been allowed to create all the money of this sovereign Nation.

The consequence of this is that we have fastened over $106,000,000,000 of needless debt upon the people. But as to inflation the further fact is that, as the result of the manner of war financing, we have $106,000,000,000 more of money in circulation in this country than we had before. Furthermore, we have $178,000,000,000, approximately, of deferred buying power, that is, liquid savings, in the Nation, exclusive of holding of bonds. That is over twice as much money as was in existence in the United States of America in 1941.

Under these circumstances we have already got inflation and the causes of it are the two causes I gave. So when Members get up, having just gotten through voting for a tax-reduction bill of $5,000,000,000, and say that the House is creating inflation because we increase the salaries of Federal workers to accord with an increase in the cost of living, I cannot quite follow their argument. Of course, it is true that to the extent that we permit expenditures to exceed revenues we are contributing to inflation. There is no question about that. Our job is to see to it, on the one hand, that we pursue a courageous tax course, and, on the other hand, to keep down unnecessary Government expenditures.

There never was a time perhaps when it was as important as it is today to have an excess of revenues over expenditures. But, on the other hand, the only answer over the long pull to the present situation is to compare the money supply of this country with its production and act accordingly. Production, as currently carried on, will generate almost enough buying power to purchase all that is produced. Currently it will do that. The $178,000,000,000 of deferred buying power therefore, will, until it is absorbed in the market in some manner, be a constant inflationary pressure and will be bidding against the incomes of people which are generated by current production for the chance to buy the goods produced. Only maximum production over a long period can possibly solve this problem. Therefore there is no answer to the current problem excepting a gradual upward adjustment of the incomes of the people of the United States until such time as we have gradually brought about an equilibrium once again. Somehow that has got to be done, and the white-collar worker is likely to be the last one whose income will be so increased. In connection therewith it is quite clear to me that we have, from time to time, to make price adjustments also upward in order to assume maximum production.

The objective should be, therefore, to see that this process is accomplished in as gradual and orderly a way as possible, and that we do not at any point permit the sudden upward spiral to get started. But the basic truth about the matter is that inflation results from the creation of money at a faster rate than production increases, and deflation results from failure to maintain the supply of money at a level equal with the increase of production. That is where inflation and deflation come from. That is the root of the problem and it will not be solved except by attacking it at that point.

Mr. STEFAN. Mr. Chairman, I move that general debate close in 40 minutes.

The motion was agreed to.

Mr. STEFAN. Mr. Chairman, I yield 10 minutes of my time to the gentleman from Washington [Mr. COFFEE].

Mr. COFFEE. Mr. Chairman, I yield 16 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

FACTS AND THOUGHTS ON THE WESTINGHOUSE STRIKE

Mr. EBERHARTER. Mr. Chairman, this is the tenth week of the strike of 75,000 employees of the Westinghouse

Electric Corp. These workers are on strike for a $2-a-day wage increase to make up for the decrease in their take-home pay occasioned by the end of the war. During these 10 weeks Westinghouse employees have seen both General Electric and General Motors settle with their union, the United Electrical, Radio, and Machine Workers of America, CIO, for an 18½-cents-an-hour wage increase. They have seen the Radio Corp. of America settle for 17½ cents and six paid holidays. In Pittsburgh, where the home office of Westinghouse is located, just this past week they have also seen Westinghouse Airbrake and Union Switch & Signal settle for an 18½-cent-an-hour wage increase.

That is the picture the Westinghouse workers see in their particular industry. In the steel industry, the auto industry, the rubber industry, the oil industry, they see comparable settlements.

But what is the status of the Westinghouse strike? On March 25, 1946, two of the country's most outstanding mediators, William H. Davis and Arthur S. Meyer, after conducting mediation conferences with the Westinghouse Corp. and the United Electrical Workers rendered a report to Secretary Schwellenbach. This report tells the story of why Westinghouse refused to continue negotiations.

On March 19 the Westinghouse Corp. made an offer which the company represented as an 18½-cent-wage-increase offer, but which in the words of the mediators "is in substance neither an across-the-board offer nor an offer of 18½ cents or 17½ cents an hour in any of the classifications to which it applies."

The mediators describe how the offer of the corporation excluded large groups of low-paid workers, attempted to compromise a War Labor Board recommendation on the elimination of sex differentials, cut wages of day workers on an incentive basis an average of 7½ cents an hour, and so forth. The mediators found that the so-called 18½-cents-an-hour offer of Westinghouse is substantially less than 15 cents an hour. According to the analysis of the union, it came to an average increase of 9.7 cents an hour. The attempt of Westinghouse to represent its wage offer as an 18½-cents-an-hour increase is thus strongly refuted by the United States mediators.

The United Electrical union rejected this proposal of the corporation and proposed instead an 18½-cent wage increase across the board, the return to work of all employees without discrimination, and the negotiation for 30 days of all other issues in dispute, and then the unsettled issues to be submitted to arbitration.

The corporation rejected the union proposal. The union then offered to negotiate alleged abuses in the incentive system, and withdraw its objection to a change in the day workers' bonus plan. But the corporation refused to negotiate, or meet with the union, unless the union would agree, in advance, to accept all money terms of the company proposal without change.

The 25-page proposal submitted by the company on March 19 stipulated that the offer expired at midnight, March 31. The mediators considered the condition of acceptance within such a short period of time tantamount to an ultimatum, and asked the company to extend the time within which its proposals could be negotiated. This the company refused to do. The company indeed refused to continue negotiations, or to meet with the union, unless its wage offer was accepted in full.

Mr. Chairman, it is not my purpose to pronounce judgment as to who is right or who is wrong in this management-labor dispute. In passing, I may say that it is not easy to earn a reputation as a fair and considerate mediator. In this dispute two men who are recognized throughout the country as outstanding mediators concluded that the attitude of the Westinghouse Corp. created conditions that made mediation impossible. Should a person be charged with prejudice if he looks with suspicion at the advertising campaign of the Westinghouse Corp.?

Is the refusal to bargain warranted by the fact that Westinghouse cannot afford to pay its workers what other electrical manufacturing firms are paying? Does Westinghouse pay the highest wages in the electrical manufacturing industry, as it has been proclaiming in advertisements to the public?

Let us see the answers to these two questions:

First. Can Westinghouse afford to pay 18½ cents more? From 1939 to 1945 the increase in Westinghoue profits and reserve exceeded that of any other company in the electrical manufacturing industry. In 1939 Westinghouse surplus and reserves totaled $57,000,000; in 1945 their surplus and reserves totaled $136,000,000. Westinghouse net profits rose from $13,000,000 in 1939 to $26,800,000 in 1945.

Compare these figures with the average cut in take-home pay of Westinghouse workers of $17 a week. An 18½-cent increase will average only $7 a week to the 75,000 Westinghouse workers—they will still suffer an average loss of $10 a week from their wartime earnings. The average weekly earnings of Westinghouse employees, after deductions, since VJ-day are $35.

Second. Does Westinghouse pay the highest wages in the electrical manufacturing industry? In this connection a chart appearing in a War Labor Board decision comparing Westinghouse and General Electric rates is most illuminating. I set it out in full:

WESTINGHOUSE

Location	Range of women's rates		Male, common-labor rates
	Minimum	Maximum	
Baltimore	$0.575	$0.745	$0.695
Bloomfield	.615	.795	.785
Cleveland	.575	.735	.735
Derry	.615	.635	.795
East Pittsburgh	.625	.805	.785
Fairmont	.54	.72	.765
Lima	.525	.785	.705
Mansfield	.595	.745	.805
Newark	.575	.775	.805

GENERAL ELECTRIC

Taunton	$0.62	$0.74	$0.71
Pittsfield	.68	.92	.80
Pittsfield (chemical works)	.65	.92	.80
Lynn	.62	.80	.80
Ontario	.65	.71	.77
Lowell	.68	.84	
Fort Wayne	.68	.92	.84
Bridgeport	.62	.74	.80
Schenectady	.62	.84	.80

Westinghouse's rates, as this chart shows, are really lower than General Electric's, but Westinghouse has attempted to camouflage this fact by using figures based on incentive earnings. Sixty percent of Westinghouse workers are on incentive, as compared with 20 percent of the workers in the largest company in the industry. Incentive systems are designed for increased production, for which a company is willing to pay more. Westinghouse has used in its figures the total earnings of all workers, including incentive, and compared those with wage rates where there is no incentive or only a small group on incentive. For an honest comparison one must compare basic hourly wage rates in both cases. Incentive is for increased production and increased value to the company.

How can the Westinghouse Corp. meet the competition of its rivals in the electrical industry unless it settles the strike? The answer lies in the unconscionable carry-back provisions of the tax law which I have attacked on this floor, and for the correction of which I have introduced a bill, H. R. 5232. I am informed the Westinghouse Corp. can obtain from the Treasury a total of $11,200,000 if it breaks even on profits during 1946. I am also informed the company can obtain from the Treasury a refund of $19,750,000 if it loses $10,000,000, thus being assured of a profit of $9,750,000. It seems the Westinghouse Corp. is guaranteed enormous profits even if it loses money by its lack of operation. It is charged that Westinghouse intends to use public funds for the purpose of prolonging the strike.

Mr. Chairman, would it be wrong for the average citizen who is familiar with the facts, much less the interested employee of the corporation, to speculate as to whether the corporation intended to bargain in good faith, or to speculate whether it does not feel that it can, with its vast reserves and surplus, together with a reliance on huge tax refunds, defeat any wage claims and perhaps even break the union.

The House has just voted another pay raise for Federal employees. I find no fault with the decision it has made. Is it wrong for the employees of Westinghouse to ask for a fair increase?

The Westinghouse strike is the only major CIO strike not yet settled. In Pittsburgh, instead of efforts like that of the mediators to settle the strike, Governor Martin has called out State troopers and stationed them in the East Pittsburgh plant of the company. Such conduct is not designed to provide a favorable atmosphere for settlement of the strike. What is needed is some proposal such as was made by the electrical

union—to permit salaried workers not covered by bargaining units to cross the picket line, and return to work provided no production is resumed. The corporation and the union would then sit down and negotiate until a settlement is reached.

The record indicates that Westinghouse has turned down every proposal of the union. From the report of the mediators we can conclude it has refused to bargain in good faith. Is the public justified in asking whether a management-labor dispute between one of the world's largest manufacturers of electrical equipment and one of the world's largest units of organized labor is to be decided through methods that belong to the horse and buggy days of labor relations?

I have several times spoken of the report of the United States mediators. I was, along with thousands of other persons, much discouraged when that report was made. I had hoped for something better; I had hoped for real progress toward a settlement.

Mr. Chairman, the mediators withdrew from the case on March 22. From all I have been able to learn, since that day neither the Secretary of Labor nor any of the personnel in the Department of Labor, has indicated any interest whatsoever in this particular management-labor dispute. I confess I am at a loss to account for the lack of attention by the Department of Labor in what must be regarded as a most important case. It seems to me that with 75,000 employees idle; with millions and millions of dollars' worth of equipment lying idle in a period when speedy reconversion is of transcendent importance, the utmost in energy and determination toward reaching a quick settlement is called for. I deplore the evident apathy of the Department of Labor and the Conciliation Service in this particular case. It is so at variance with their record in the past.

Mr. STEFAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts, the minority leader [Mr. MARTIN].

PROGRAM FOR WEEK OF APRIL 8

Mr. MARTIN of Massachusetts. Mr. Chairman, I have asked for this time to ascertain if possible the program for next week.

Mr. McCORMACK. Monday will be District day and there will be four bills out of the District Committee, H. R. 4654, dealing with the American National Red Cross; H. R. 5719, amending the act authorizing blackouts; H. R. 5928, relating to the Charles A. Langley Bridge; and S. 1841, dealing with weights and measures.

There is a bill out of the Foreign Affairs Committee, H. R. 5244, for the appointment of additional foreign-service officers which we would like to take up this afternoon if sufficient time remains following the disposition of the appropriation bill now under consideration. I understood there was no objection to it. Should objection develop and it cannot be disposed of quickly it will have to be put over until some later date.

Mr. MARTIN of Massachusetts. I may say in that connection that several members of the committee are opposed to it and there will probably be some discussion. They would therefore prefer that it be taken up next week.

Mr. McCORMACK. Would Monday be all right?

Mr. MARTIN of Massachusetts. I understand a number of the Members will be away on Monday and Tuesday. It would have to come up after those days.

Mr. McCORMACK. I wish the members of the committee would try to get together and take some of these headaches off my shoulders. As far as I am concerned I am perfectly willing to try to meet whatever suggestion they agree on. I wonder if the gentlewoman from Massachusetts, who is most persuasive in influencing Members on both sides in legislative matters, would not confer with the genial chairman of her committee and fix a time when it would be agreeable to call it up?

I do not know if I can call it up next week, to be perfectly frank, if it cannot be considered on Monday or Tuesday; so I am not going to commit myself as to what I will do on it after Tuesday. I hope the gentlewoman from Massachusetts can agree with the gentleman from New York [Mr. BLOOM] and take some of the headache off my shoulders.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mrs. ROGERS of Massachusetts. I wish to remind the gentleman from Massachusetts that the very distinguished gentleman from New York does not always confer with me, and unfortunately does not always conform to my wishes.

Mr. McCORMACK. It is rather difficult for me to understand how anyone could fail to agree with the gentlewoman from Massachusetts in such matters, but I suggest that she take it up with the chairman and try to see if they cannot agree not to bring it up Monday or Tuesday. I cannot promise that I can call it up next week after Tuesday.

Mrs. ROGERS of Massachusetts. A number of the members of our committee will be away this afternoon and will be away next week. I feel that this is a very important bill, because it adds to our foreign service 250 persons supposed to be "crack" persons from the Army and Navy, and I suppose some of the leftovers from OWI. I feel that it may lead to sabotage of our foreign service, and it should be watched very carefully. It seems to me that it is very discouraging to our foreign-service personnel, but the foreign service is only 820 strong today, and it does need 250 additional men. Also it is possible to secure men coming out of the Army and Navy who have experience in foreign affairs.

Mr. MARTIN of Massachusetts. I cannot see much chance of its being taken up this afternoon, for we have not yet finished the appropriation bill under consideration, and there are several contests ahead in that bill.

Mr. McCORMACK. I suggest that the gentlewoman from Massachusetts undertake this diplomatic mission with the chairman of her committee.

Mrs. ROGERS of Massachusetts. I shall be glad to confer with the chairman of the committee. May I suggest also that the very distinguished majority floor leader also confer with us?

Mr. McCORMACK. I do not interfere with the internal affairs of committees. I leave that to the committee members to handle.

Mrs. ROGERS of Massachusetts. I wish the gentleman would, I may say to the gentleman from Massachusetts. He has great ability and influence.

Mr. McCORMACK. I have enough headaches without doing that.

We will handle it as the situation develops.

On Monday and Tuesday, in addition to that bill, there is a bill, H. R. 3864, to establish an office of Under Secretary of Labor and three assistants; S. 565, having to do with retirement of judges in Alaska, Puerto Rico, the Virgin Islands, and the Canal Zone; H. R. 5991, a bill reported by the Committee on Agriculture. That committee considered and has reported out a new bill unanimously, as I understand it, relating to farm security.

On Wednesday and Thursday the State, Justice, and Commerce appropriation bill will be considered.

I will ask unanimous consent later that on Friday we devote 1 hour to memorial services in memory of the late President Franklin D. Roosevelt.

On Friday and Saturday there will be considered the extension of the Selective Service Act and also H. R. 430, the so-called Dondero resolution.

I understand the Philippine rehabilitation bill has been reported out of the committee today and if there is any chance to work that in I would like to have it considered. If there is any possibility, we will consider that some time during the coming week, but I will not make any promises at this time.

Conference reports may be brought up at any time they are ready for consideration.

Mr. MARTIN of Massachusetts. The gentleman is not optimistic enough to believe that we can pass extension of the Draft Act in 2 days, is he?

Mr. McCORMACK. That is extreme optimism and I will be very frank with the gentleman. On the other hand, if we are going to adjourn or take a recess from the 18th, these things will have to be considered. The membership of the House has always been very kind in cooperating with the program, and that applies to the leadership on the other side. It might be possible by meeting at 11 o'clock or meeting under circumstances like that to provide what might otherwise be 3 days' legislative time.

Mr. MARTIN of Massachusetts. Personally, I would not have any objection to coming in at 10 o'clock in the morning.

Mr. McCORMACK. It can be done, probably. If the committee is ready by Friday we will consider it on Friday and Saturday by coming in earlier in the day and we probably can accomplish it.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. MARCANTONIO. I would like to ask the majority leader about a certain

bill. The Committee on Un-American Activities, according to the press, has reported out another contempt citation. Can we be given any information as to when that may come up?

Mr. McCORMACK. I am unable to state to the gentleman. That is a privileged matter. Of course, if I were consulted I would program it if they asked me to do so but that is a matter I cannot program because it is a privileged matter. Frankly, the committee, before any action is taken, ought to give the House at least 24 hours' notice and I assume that will be done, but I cannot guarantee it.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HORAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. The gentleman from Pennsylvania [Mr. EBERHARTER] made what I assumed was a factual statement with reference to Westinghouse strike in Pittsburgh, but he did not tell us at any time what the real difference was that prevented the settlement of this strike unless it be—and I am assuming—that it was the refusal of the company to grant the requested increase in wages.

Is that the only issue, may I ask the gentleman?

Mr. EBERHARTER. There are several, I may say in reply to the gentleman. There are several issues. The company made an offer which is analyzed by the union as being a 9.7 cents an hour increase.

Mr. HOFFMAN. I only wanted to know whether there were other issues. The gentleman says there are, so that answers my question. But the gentleman did not tell us in detail what the other issues were.

Mr. EBERHARTER. Oh, yes. My remarks certainly did bring out the question of the incentive plan and the differential in pay between the male and the female employees. There are two other issues. There are three issues, and there are other issues.

Mr. HOFFMAN. Well, the sum and substance of the gentleman's remarks, as I got it, was that the company refused in one way or another to give increases in wages; that is to say, that the only difference of opinion, as I understood his remarks, was one that related to how many cents were to be paid in return for service rendered. I think that is a fair and accurate statement. As a matter of fact, there are other differences.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes; I yield.

Mr. EBERHARTER. I hope the gentleman will read my remarks when they are printed in the RECORD, and he will see that I did call attention to other matters in dispute aside from the mere matter of wages.

Mr. HOFFMAN. Oh, yes; there were other matters in dispute, but he did not tell us what the issue was that was in dispute in these other matters, and I am sure I do not know. But, waiving all that let me get down to the last criticism he had, the criticism of Governor Martin. What did the gentleman criticize him for? Because he sent men, I understood the gentleman to say, down to Pittsburgh to prevent violence or to aid in enforcing a court order? Governor Martin is not responsible, in this particular case, for an action which gives reason for criticism. The Supreme Court of the State of Pennsylvania, as the gentleman being a lawyer, must well know, ordered the lower court in the city of Pittsburgh to issue an injunction restraining the union and its pickets from mass picketing and from violence on the picket line and expressly ordered the judge of the lower court.

If Governor Martin did order the State troops down there, he only did the thing that his oath of office requires him to do. He owes a duty to the people to enforce the laws of the State to enforce the orders of the courts.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. COFFEE. Mr. Chairman, I yield five additional minutes to the gentleman from Michigan.

Mr. HOFFMAN. Is there any reason why the Governor of a State, whose duty it is to preserve law and order, to protect the right of men who want to work, should not do so?

In Detroit at the present moment there is a wildcat strike that has completely tied up the transportation system of the city. Thousands of workers cannot get to their jobs because less than 200 men engaged in a wildcat strike have tied up the whole transportation system. Does that make sense? The Governor and the administration of the city of Detroit should apply the legal remedy for that sort of a situation. Why, it is just nonsense. It is just nonsense to permit a small group, in defiance of their own union, as well as in defiance of the laws of the State and the Nation, to tie up the activities of a whole city. After the UAW-CIO strike has been settled, after the steel strike has been settled and steel has begun to come out of the mills, after there was a prospect that the automobile industry might begin production, now we have a transportation strike. Does that make sense? To me it does not, and I do not believe the gentleman from Pennsylvania can justify it. I do not think he wants to justify any such procedure as that.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield for a question.

Mr. EBERHARTER. The gentleman from Michigan has made some assertions which are not in accordance with the facts.

Mr. HOFFMAN. What are they? Correct me.

Mr. EBERHARTER. There was no violence, nobody was hurt; there was no assault and battery; there was no difficulty of that nature at all.

Mr. HOFFMAN. I do not agree with the gentleman. To show that I am right I will quote from the opinion of the supreme court of his State:

> In some instances employees seeking to enter were prevented from doing so by force and violence.

When you get a mass picket line around a factory gate or a factory door and the workers try to get through—I can show you pictures in the press of the Pittsburgh police trying to break a picket line—you get violence, yet the gentleman stands here and tells me there was no violence. Tell that to somebody who is greener than am I.

Mr. EBERHARTER. That matter of the number of pickets had already been settled before the State police were called in.

Mr. HOFFMAN. The gentleman claims, if I understand him correctly, that a man has the right to ask for a higher wage, and, of course, I agree with the gentleman.

Mr. EBERHARTER. That is correct.

Mr. HOFFMAN. The gentleman says, and I agree with him, that the employee has the right to strike if he does not accept the offered wage. Does the gentleman agree with me that when the employee goes on strike he has no right to keep another man who wants to work away from his job? I do not hear an answer. Do you think the Governor of a State, when there is a line of men around the factory door preventing would-be workers from going in, should not open the way for the man who must work if his family is to eat, have clothing and shelter?

Mr. EBERHARTER. The record shows that employees were going into the factory every day and working, nonproduction employees.

Mr. HOFFMAN. Nonproduction employees?

Mr. EBERHARTER. Certainly.

Mr. HOFFMAN. Think of the generosity of the union.

Mr. EBERHARTER. They were not stopping anybody from going in.

Mr. HOFFMAN. They let a few men in, the men who own the factory, maintenance workers to keep the machinery in operation, or in a condition so that it could be later operated. The union was generous and let them in, but it would not let the poor devil who needed that wage, a weekly or a 2-weeks' pay check in order to support his family, it would not let him through. He says that is fair practice.

Mr. EBERHARTER. The gentleman is going on altogether a wrong assumption.

Mr. HOFFMAN. Oh, no.

Mr. EBERHARTER. There was no attempt to keep men out of the plant by force, therefore, there was no necessity for calling in the State police.

Mr. HOFFMAN. It may be the only difference of opinion between the gentleman from Pennsylvania and myself is as to the definition of "force." Maybe he thinks you have to have a wagon tongue and hit a man over the head with it before there is any force. Surely there is force when they march shoulder to shoulder in a tight flattened circle before the gate, and workers cannot get through.

You might just as well say that there was no force or a denial of right or an invitation to fight if a group of Republicans stood over before that door on the right and closed the entrance to the door so that you could not get through until

you shoved them aside. Would there be a threat of force and violence? You gentlemen would throw us clear down and out the farthest door. That is what you would do.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. EBERHARTER. The record in this case indicates that the question of mass picketing had already been decided.

Mr. HOFFMAN. Oh, of course. But read the supreme court decision of the State of Pennsylvania.

Mr. EBERHARTER. Certainly, I have read it.

Mr. HOFFMAN. You are a resident of that State. You are a lawyer from that State. You can read. Read the decision, and you will find what is violence and mass picketing. Just to set you right, I will read it myself, and print it, so you will know what it is and how mistaken you are. That opinion reads as follows—and I quote:

MAJORITY OPINION

Westinghouse Electric Corp. is engaged in the manufacture of electrical machinery and devices. It has five plants in Allegheny County, the largest being the East Pittsburgh works; it conducts also a research laboratory. In its manufacturing establishment it employs approximately 16,000 persons engaged in productive labor and plant maintenance; these are represented by the defendant union, the United Electrical, Radio and Machine Workers of America, Congress of Industrial Organizations, local 601. Another union, Association of Westinghouse Salaried Employees, represents some 200 technicians and clerks employed in the research laboratory and upwards of 6,000 employes in the manufacturing plants, mostly industrial engineers, draftsmen, salesmen, patent attorneys, cost accountants, clerks and stenographers. There is a third group of about 1,000 employees made up of the company's executive officers, supervisors, and scientists; this latter group is not represented by any labor union.

A dispute arose between the defendant union and the company in regard to a demanded wage increase of $2 per day. Protracted negotiations to settle the controversy proved abortive, and a strike began on January 15, 1946. Neither the Association of Westinghouse Salaried Employees nor the third group of employees previously mentioned have any present dispute with the company and are not on strike. The defendant union immediately established and has since continuously maintained a picket line at each and every gate of the company's plants and the research laboratory. The company filed a bill of equity for a preliminary injunction to restrain the officers and members of the defendant union from interfering, by mass picketing, violence, or intimidation, with employees of the company engaged in the operation and maintenance of its plants, and from preventing persons, whether employees or others, from entering or leaving its plants and properties. The court below denied the motion for a preliminary injunction and dismissed the bill.

All the testimony, which is extremely voluminous, was presented by plaintiff corporation; defendants offered no evidence and, as none of plaintiff's testimony was contradicted or impeached, there is no dispute on the present record as to the facts; the question for determination is purely one of the proper legal interpretation to be placed upon those facts. Under such circumstances, if the record discloses a fundamental misconception of the controlling law, the ordinary rule that the granting or refusal of a preliminary injunction is within the reasonable discretion of the court of first instance becomes inapplicable (*Casinghead Gas Co.* v. *Osburn* (269 Pa. 395, 112 A. 469); *Philadelphia Record Co.* v. *Curtis-Martin Newspapers, Inc.* (305 Pa. 372, 378, 158 A. 796, 798)).

The cases in which, and the extent to which, courts may issue injunctions in labor disputes are now determined, in this as in many other States and in the Nation, by statutory mandate. In Pennsylvania the Labor Anti-Injunction Act of June 2, 1937, Public Law 1198, prescribed that such injunctions should issue only when certain conditions existed and certain requirements were met; for example, the court must find that the public authorities were unable to furnish adequate protection to the complainant's property; also, the complainant must have made every reasonable effort to settle the labor dispute. Plaintiff admits that in this instance not all the conditions stipulated by that act exist nor have the necessary findings been made by the court, and therefore, if that statute controls, it is not entitled to an injunction (cf. *DeWilde* v. *Scranton Building Trades & Construction Council* (343 Pa. 224, 22 A. (2d) 897)). Plaintiff relies, however, upon the amendatory act of June 9, 1939, Public Law 302, which provides that the 1937 act should not apply in any case "Where in the course of a labor dispute * * * an employee, or employees, acting in concert, or a labor organization, or the members, officers, agents, or representatives of a labor organization or anyone acting for such organization, seize, hold, damage, or destroy the plant, machinery, or other property of the employer with the intention of compelling the employer to accede to any demands, conditions, or terms of employment, or for collective bargaining." Plaintiff contends that the acts of defendants, as established by the testimony, amount to a seizure and holding of its plants and properties, that therefore the restrictions imposed by the act of 1937 do not apply, and that the picketing is illegal and should be enjoined.

What are the facts? None of the officers, agents, or members of the defendant union, except those who are continuing their employment in the plants in order to protect and maintain them, has actually entered any of the company's properties or laid a hand upon any equipment, machinery, or other property therein contained. There has been no sit-down strike in the sense that any members of the union have barricaded themselves within any of the plaintiff's buildings or established themselves there in possession and occupation. But, when the strike was in contemplation and before it had actually started, a number of meetings were held between officers of the defendant union and representatives of the plaintiff corporation in the course of which the former requested the latter to prepare a list of persons who might be deemed necessary to protect the company's plants, defendants being willing, because of their interests as well as that of the company, to safeguard the physical maintenance of the machinery and equipment. However, as an official of the company who was present at the meetings testified, they "made it quite clear that anyone not agreed to on the list would not get admittance through the picket line * * * they would not be admitted to the plant unless their name was on a list in the union office." And, as another such official testified: "In reference to the lists we were informed that they would have to be the very minimum number of employees to have consideration by the union, that it was to include no person who would pursue any productive work, that it had to do only with plant protection." In response to a question as to how defendants intended to conduct the strike and whether they intended to let into the plant those people who were not on strike "their reply was to the effect that people would be permitted to enter, but only on passes issued by the union * * * They stated it was their intention to permit nobody to enter the plant except those who had passes issued by the union, and that it was their intention to picket the plant 24 hours a day." A list was prepared by the company which was carefully examined by the union and a large number of the names rejected by it; it approved about 300 in number, two-thirds of whom belonged to its membership, and it issued passes on a weekly basis to those persons; later, when the case came on for hearing before the court, defendants agreed to add to the list 71 other names of employees who were not members of the union and who, it was agreed, could be admitted on identification cards of the company; still later, during the course of the hearings, an additional 48 names were added to those of the persons whom the union would permit to enter the plants.

The consent of the union thus given to the admission of the persons listed naturally carried with it, as an implied corollary, that it would deny the right of entrance to all others; indeed, as appears from the testimony previously quoted, it was so expressly stated by the officers of the union, and in a letter written by its acting president to an official of the company shortly before the strike began, it was again explicitly declared that "only the passes issued by our strike committee will secure any recognition from the pickets." This avowed policy of the union was not merely academic or ideological, but was implemented by positive action in all the instances when it was put to the test. Thus, W. C. Rowland, manager of one of the divisions of the East Pittsburgh Works, testified that when he sought admittance to that plant a "captain" of the pickets told him that if I wanted to get in I would have to get a pass from the union. He then tried other entrances, but always the same statement was made to him and he was refused admittance. John Wood, a foreman or supervisor, testified that he was denied admittance to this same plant by those picketing the entrance gates; a "lieutenant" of the pickets "produced a list * * * and found that we weren't on it, and he said, 'Well, your name isn't on the list,' and we said 'What does that mean? Does that mean we don't get in?' and he said, 'You'll have to go to the union office for a pass'." The same thing happened again later, this time both a "captain" and a "lieutenant" of the pickets telling him that he "would have to go to the union office and receive a pass from the union," and that otherwise the pickets would not allow him to enter. He also testified that a nurse from the company's medical department was likewise refused admittance because she did not have a union pass. Another witness, G. M. Crawford, a patent attorney employed by the company, testified that he was barred from entering the plant, the pickets saying that his name was not on the list and "they were under orders to admit no one except those on this list." August Mayer, a maintenance supervisor, testified that a "captain" and a "lieutenant" refused him admittance; the "captain," after looking at his list, said: "You aren't on my list, so you can't get in"; on another occasion this same experience was repeated, the "lieutenant" stating, after looking at his list: "I'm sorry, boys, your name isn't on the list, you can't get in * * *. Go to union headquarters and get a pass if you insist on going in." M. Hetenyi, a research engineer, and Dr. Joseph Slepian, an associate director of research, both testified that they were denied admission to the research laboratory because a union pass was demanded of them and they did not have any. J. A. Hutcheson, also an associate director in the research laboratory, and John F. Hooper, a staff supervisor, testified to a similar demand by the pickets, with the same unfavorable result.

Plaintiff produced in all 21 witnesses who testified that they were employed by the company and that, on various occasions from

the time of the beginning of the strike to the time of the hearings, they were not allowed access, by the pickets on guard, to the East Pittsburgh plant, or to the research laboratory, or to the plaintiff's Nuttal works, or to a building leased by the company at 601 South Avenue, Wilkinsburg. During the early days of the strike the number of pickets in the line at each entrance varied from as few as 8 or 10 to as many as 50, 75, 100, or even 150; later, by the time of the hearings, the number had been substantially reduced, but was always apparently subject to augmentation if those forbidden to enter attempted to do so. The pickets walked closely behind one another at each gate in a compact circle or eliptical formation, and so near to the entrance that it would have been impossible for anybody to edge in without running the gantlet thus established. In some instances employees seeking to enter were prevented from doing so by force and violence, in others, those who were more cautious resigned themselves to the inevitable and—reluctant to engage in a scuffle that might possibly lead to bloodshed—departed in peace. Without attempting to reproduce the great mass of testimony in detail, it is sufficient to say that its cumulative effect is to establish beyond any doubt that the pickets of the defendant union never intended to let any person enter any of the company's properties without their consent and that they enforced that intention and that policy by means of persuasion when such methods were sufficient, but also, when necessary, by intimidation and threatened violence. That there were thousands of employees ready to work is demonstrated by a letter which was offered in evidence written, when the strike first started, by the president of the Association of Westinghouse Salaried Employees to an official of the plaintiff corporation, in which it was stated that they (the members of the association) were willing and wanted to work and would report for that purpose unless forcibly prevented from doing so.

The question then arises: Do the facts thus established indicate a seizure and holding of the company's property by defendants within the meaning of those terms in the act of 1939? We answer that question unhesitatingly in the affirmative. Defendants argue that at the time of the enactment of the 1939 amendment there had arisen an occasional practice on the part of strikers of taking possession of the employer's factory by physical entry and occupation—the so-called sit-down strikes—and that it was that kind of seizure and holding that the framers of the amendment had in contemplation. But, while the technique employed in such strikes may have changed, it is obvious that the seizure of a plant may, from a realistic standpoint, be effected in ways other than by actual entry into the building itself. It certainly is not necessary in order to constitute a seizure and holding that each and every brick and stone, each and every room and floor, be physically grasped and possessed. If the owner be deprived of the use and enjoyment of the property so that it becomes utterly valueless to him it is effectively seized and held whether the force employed for that purpose be exerted within the building or immediately without. The control of the entrances is the control of the plant. Surely defendants would not deny that, if 5, 10, 50, or 100 of their members stood directly within the gates and prevented the owners and their employees from entering, this would constitute a seizure of the property within the ordinary meaning of that word, and how is it less a seizure and a holding if the same number of persons, for the same purpose and with the same effect, stand immediately in front of the gates instead of behind them? Would defendants deny that, if they locked and bolted all the entrance doors and thereby prevented ingress and egress, such action would constitute a seizure and holding of the plant within the normal connotation of those terms and therefore within the meaning of the statute? But what difference is there between such a method of seizure and that of holding the gateways closed, not by mechanical devices, but by a chain of human beings stretched across those gateways and thereby even the more effectively preventing access to the property and its use by the rightful owner? And even if it were technically to be held that the force which accomplishes the seizure must be applied on the very premises of the employer, that technicality is satisfied when the pickets operate from positions in front of the gates, because ordinarily the title to property abutting on a public highway extends to the center of the highway, the sidewalk being for all intents and purposes a part of the owner's premises subject only to the public's easement of passage: *Duquesne Light Co.* v. *Duff* (251 Pa. 607, 97 A. 82); *Scranton* v. *Peoples Coal Co.* (256 Pa. 332, 335, 100 A. 818, 819); *Freinig* v. *Allegheny County* (332 Pa. 474, 477, 478, 2 A. (2d) 842, 845, 846); *Hindin* v. *Samuel, Mayor* (158 Pa. Superior Ct. 539, 542, 45 A. (2d) 370, 372).

For the reasons thus stated we reiterate what was said by Mr. Chief Justice Maxey in *Carnegie-Illinois Steel Corp.* v. *United Steel Workers of America* (353 Pa. 420, 429, — A. (2d) —, —), that "Forcibly to deny an owner of property or his agents and employees access to that property * * * is in practical and legal effect a seizure or holding of that property." We do not mean to be understood as ruling that any particular number of isolated instances of the application of force, violence, or intimidation to prevent persons from entering an employer's plant or factory necessarily amounts in legal effect to a seizure and holding of the property. But, when, as here, such occurrences are for the purpose of implementing an expressly declared intent or policy to prevent such ingress and egress there is a seizure and holding within the meaning of the act of 1939.

Freed from the restrictions imposed by the Labor Anti-Injunction Act, there is no doubt that plaintiff is entitled to an injunction in this case. The court is not unmindful of, and certainly not unsympathetic with, the trend which has developed in connection with the issuance of injunctions in labor disputes from the days when even peaceful picketing was enjoined to the present time when the Norris-LaGuardia Act and the Pennsylvania statute have declared current public policy with respect to that subject. We said in the *Carnegie-Illinois Steel Corp. Case,* supra (pp. 430, 431, — A. (2d) —, —); "Injunctions are not issued against picketing when the latter's only purposes are to advertise the fact that there is a strike in a certain plant and to persuade workers to join in that strike and to urge the public not to patronize the employer." We have so held since the decision in *Kirmse* v. *Adler* (311 Pa. 78, 166 A. 566). The right of picketing, when free from coercion, intimidation, and violence, is the right constitutionally guaranteed as one of free speech: *Senn* v. *Tile Layers Protective Union* (301 U. S. 468, 478); *Thornhill* v. *Alabama* (310 U. S. 88); *American Federation of Labor* v. *Swing* (312 U. S. 321); *Cafeteria Employes Union, Local 302* v. *Angelos* (320 U. S. 293). But picketing to the extent to which it is designed to seize and in effect does seize and hold the employer's plant by the methods here employed does not fall within either constitutional, statutory, common law, or equitable protection.

Plaintiff produced convincing evidence of irreparable damage, not because of any destruction of, or injury to, its plants, but because of the interruption of vital activities necessary by way of preparation for future business and production.

The order of the court below is reversed, and the record remanded with direction to issue an injunction enjoining and restraining defendant union, its officers, representatives, agents, and members, and all other persons acting in concert with them (1) from preventing or attempting to prevent, by mass picketing, violence, intimidation, or coercion, any person or persons from entering or leaving plaintiff's plants and properties and (2) from in any other manner seizing or holding said plants and properties. Said injunction to be effective upon the filing of plaintiff's bond in the sum of $10,000, with surety approved by the court, in manner and form required by law, and to continue until final hearing. Each party to bear its own costs.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. COFFEE. Mr. Chairman, I yield 4 minutes to the gentleman from Washington [Mr. SAVAGE].

Mr. SAVAGE. Mr. Chairman, a great statesman, Benjamin Disraeli, once remarked that it is a lot easier to be critical than it is to be correct. This will always be true, but it is especially true during a time like this reconversion period, when new ground is being broken, when brand-new problems are being faced, when a dozen different courses of action might be followed and there is no tried and true pattern to follow.

In such times the critics have a field day. "Price ceilings are smothering production. Take 'em off!" they shout. They say we need less Government control. At the same time others are calling for Government intervention to stop strikes and force labor and management to produce. They want more Government control.

It is easy for the critics and the calamity howlers; they do not have the responsibility. Thank God they do not. Anybody following the story of reconversion as they tell it—in the newspapers and also, Mr. Chairman, on the floor of this House—would get the idea that the whole change-over of American industry had bogged down in a series of catastrophes. The antidote for that dyspeptic state of mind, gentlemen, is the facts—the pure hard facts and the figures.

Reconversion Director John Snyder issued his sixth report the other day, and in it he gives the facts and the figures. He does not try to ignore, or explain away or gloss over, the set-backs we have had: the work stoppages, the critical shortages, the acute inflationary situation. But then he reads the reconversion record in facts and figures; and it is a record that ought to renew the weak faith of a lot of these free-and-easy critics. During the first quarter of this year, only 6 months after VJ-day, American industry was producing more civilian goods than ever before in its entire history—almost 40 percent more than in the good old boom days of 1929.

More Americans had jobs than ever before in peacetime history—or in most of the war as well. Employment was more than 10 percent above the good old boom days of 1929. Unemployment was lower than any of us believed possible. National income for the first quarter of 1946 is now at the rate of $150,000,000,000 compared with a national income of only $83,300,000,000 for the good old boom days of 1929.

Wages and salaries earned by Americans in private industry were by far the

highest in our peacetime history—70 percent above the good old boom days of 1929.

Collective bargaining between labor and management—the democratic way that the Government has adhered to—has paid off with genuine labor contracts in almost all major industries, good for a year of uninterrupted production.

This is the reconversion record, Mr. Chairman. I maintain that it is a record Americans will be proud of.

Mr. COFFEE. Mr. Chairman, the last Member who has requested time is the gentleman from Oklahoma [Mr. WICKERSHAM], to whom I now yield the balance of the time remaining.

Mr. WICKERSHAM. Mr. Chairman, the House Committee on Agriculture has been holding hearings for several days, which would convince any ordinary individual that price ceilings and subsidies should be removed from meats. There is, and has been, a surplus of livestock on the farms and ranges. The way that the OPA has handled this matter in the last few months is really ridiculous, and I cannot see how the OPA can continue such a policy and expect to get the votes of many of us who might want to vote for the continuance of OPA.

Furthermore, I want to point out to you something that has happened this week in Oklahoma which none of you will probably believe, but it is true. In the Federal court the OPA files produced two statements which were not sworn to, certifying that one little Wilson & Co. receiving station at Woodward, Okla., paid one and one-half cents per dozen too much on a few dozen eggs. The company was cited in court. The statements of the two men were refuted by sworn testimony in open court. The OPA requested that Wilson & Co. be forbidden from doing business in eggs anywhere in the United States, and the judge has issued an order not only as to eggs, but Wilson & Co. is forbidden from doing business anywhere in the whole United States on any products under the injunction issued and would be put entirely out of business in the entire country if any one of its small receiving stations made a small error.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield.

Mr. COOLEY. I wonder if the gentleman is entirely correct when he says they are prohibited from doing business. Is not the effect of the injunction to enjoin them from further violations?

Mr. WICKERSHAM. Well, the ruling will be left up to the circuit court of appeals, to which an appeal has been taken. In effect, it would result in that. This is an injunction, but in effect it will forbid it, because the time would soon come when some other produce-receiving station agent, no matter where he is in the United States, might make one mistake, and the whole company would be out in the cold permanently.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That there are appropriated for the District of Columbia for the fiscal year ending June 30, 1947, out of (1) the general fund of the District of Columbia, hereinafter known as the general fund, such fund being composed of the revenues of the District of Columbia other than those applied by law to special funds, and $6,000,000, which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, 1946), (2) the highway fund, established by law (D. C. Code, title 47, ch. 19), and (3) the water fund, established by law (D. C. Code, title 43, ch. 15), sums as follows.

Mr. STEFAN. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that it may be in order to offer amendments to any portion of the bill at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, I make a point of order that a quorum is not present.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment. Will the gentleman withhold his point of order until the amendment is read?

Mr. HOFFMAN. I withdraw the point of order for the time being.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Virginia.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 31, line 22, after the period, insert a new paragraph, as follows:

"Refunding erroneous deductions: To enable the Commissioners in cases where deductions were made for meals not taken by employees in the penal institutions, Lorton, Va., and has been covered into the Treasury for personal services: *Provided*, That this appropriation shall be available for refunding to employees such deductions made from salaries for meals not taken as follows, not to exceed $1,040:

"Hospital Supervisor T. T. Grimsley, from November 1, 1938, through April 30, 1945, at rate of $80 per annum, $560.

"Special Disbursing Agent Kenneth Dove, from July 1, 1939, through June 30, 1945, at rate of $80 per annum, $480."

Mr. COFFEE. Mr. Chairman, I reserve a point of order against the amendment to permit the gentleman to discuss it if he so desires, but I shall make the point of order eventually.

The CHAIRMAN. The gentleman from Virginia is recognized for 5 minutes.

Mr. SMITH of Virginia. I would prefer that the gentleman make his point of order now, for I have no desire to consume the time of the House.

Mr. COFFEE. Mr. Chairman, I make the point of order that this amendment is out of order because it is legislation on an appropriation bill. It has to do with claims with reference to employees in a certain institution operated by the District government and should properly come from the Committee on Claims.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. SMITH of Virginia. Yes.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. SMITH of Virginia. Mr. Chairman, there is nothing in the amendment that even looks like legislation. This is merely an appropriation to refund to employees of the particular department whose appropriation occurs at that stage in the bill, and these employees have had certain deductions made from their salaries in the past. All this does is merely to restore the money that has been improperly deducted from their salaries heretofore.

The CHAIRMAN. Will the gentleman from Virginia cite for the information of the Chair any point of law that would authorize such an appropriation?

Mr. SMITH of Virginia. We do not have to have a point of law to appropriate money in Congress. If we did probably a great many appropriations would never get through. The Chair means authorization, I take it.

The CHAIRMAN. Authorization.

Mr. SMITH of Virginia. There is authorization for all salaries of all employees of that Department. There is a general authorization for their pay.

The CHAIRMAN. Is there any authorization for the refunding of money erroneously withheld?

Mr. SMITH of Virginia. I do not know that there is any specific authorization for the specific purpose, no; but there is an authorization for the employment of personnel and for the payment of their wages. If money is unlawfully deducted from their wages, then it seems to me quite clear it is entirely proper in an appropriation bill to provide for the payment of those funds which have been unlawfully deducted.

The CHAIRMAN. Does the gentleman from Washington desire to be heard on the point of order?

Mr. COFFEE. Mr. Chairman, the only comment I care to make on the claim advanced by the distinguished gentleman from Virginia is that as far as I can ascertain there is no law authorizing the payment of refunds such as are sought to be obtained by this amendment; and it is on that basis, not being authorized by law, that I press the point of order, and I am sure the Chair will sustain it.

The CHAIRMAN. The Chair is prepared to rule.

It would appear from the information already given to the Committee by both the gentleman from Virginia and the gentleman from Washington that the authorization is nonexistent. Under those circumstances it would seem the advisable course would be to file a claim for this money to be refunded.

The Chair therefore sustains the point of order.

Mr. POWELL. Mr. Chairman, I offer an amendment.

Mr. HOFFMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently no quorum is present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 79]

Adams	Barrett, Pa.	Bradley, Pa.
Allen, Ill.	Barrett, Wyo.	Brehm
Andrews, Ala.	Bates, Ky.	Brumbaugh
Andrews, N. Y.	Beall	Buckley
Auchincloss	Bishop	Bulwinkle
Baldwin, Md.	Bland	Bunker
Baldwin, N. Y.	Bolton	Burch
Barden	Bonner	Burgin

Byrne, N. Y.	Hancock	Murphy
Byrnes, Wis.	Hand	Neely
Cannon, Fla.	Harris	Norton
Cannon, Mo.	Hartley	O'Brien, Ill.
Case, N. J.	Havenner	O'Hara
Celler	Hébert	Pace
Chapman	Heffernan	Peterson, Fla.
Chiperfield	Holifield	Pfeifer
Clark	Holmes, Wash.	Price, Fla.
Clippinger	Howell	Price, Ill.
Cochran	Jarman	Rabin
Cole, Kans.	Jennings	Rains
Cole, N. Y.	Kean	Rayfiel
Colmer	Kearney	Reece, Tenn.
Curley	Keefe	Reed, N. Y.
Daughton, Va.	Kelley, Pa.	Rich
Dawson	Kelly, Ill.	Robertson,
Delaney,	Keogh	N. Dak.
John J.	Kerr	Robinson, Utah
D'Ewart	Kinzer	Roe, N. Y.
Dirksen	Kirwan	Rogers, Fla.
Doughton, N. C.	Klein	Rooney
Doyle	Knutson	Rowan
Drewry	LaFollette	Sadowski
Durham	Lane	Shafer
Dworshak	Lanham	Sharp
Eaton	Larcade	Sheppard
Elliott	Latham	Sikes
Elsaesser	LeCompte	Simpson, Ill.
Engel, Mich.	Link	Simpson, Pa.
Fellows	Luce	Somers, N. Y.
Fisher	Ludlow	Taylor
Gearhart	Lynch	Thom
Geelan	McConnell	Thomas, Tex.
Gerlach	McGregor	Tolan
Gibson	Madden	Torrens
Gifford	Maloney	Traynor
Gordon	Mason	Trimble
Granahan	Mathews	Vursell
Green	May	Wolfenden, Pa.
Griffiths	Miller, Calif.	Wood
Gwinn, N. Y.	Miller, Nebr.	Worley
Hall,	Mundt	
Leonard W.	Murdock	

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5990), the District of Columbia Appropriation Act for 1947, finding itself without a quorum, he caused the roll to be called when 280 Members answered to their names, a quorum, and he submitted herewith the names of the absentees for printing in the Journal.

The SPEAKER. The Committee will resume its sitting.

Mr. POWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POWELL: In line 7, page 2, insert the following: "*Provided*, That no part of any appropriation contained in this act shall be used for any of the purposes therein mentioned by any agency, office, or department of the District of Columbia which segregates the citizens of the District of Columbia in employment, facilities afforded, services performed, accommodations furnished, instructions or aid granted, on account of the race, color, creed, or place of national origin of the citizens of the District of Columbia."

Mr. RANKIN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. RANKIN. Mr. Chairman, I make the point of order that the amendment is not germane, and that it is legislation on an appropriation bill, in that it attempts to change the fundamental laws of the District of Columbia that have been established and in effect for at least 80 years or probably a hundred years.

This amendment, if adopted, would destroy the school system of the District of Columbia. It would stir up race hatred and bring about race trouble, the like of which nothing else has ever done in all the history of the District. If it is done, the effect will be to destroy the legislation providing funds with which to carry on the public schools in the District of Columbia.

Mr. MARCANTONIO. Mr. Chairman, a point of order. The gentleman is not addressing himself to the point of order but is addressing himself to the merits of the legislation.

Mr. RANKIN. I am not surprised that the gentleman from New York does not understand me when I am talking to a point of order.

The CHAIRMAN. The gentleman will address himself to the point of order.

Mr. MARCANTONIO. It is very difficult to understand the gentleman when he is talking propaganda.

Mr. RANKIN. Mr. Chairman, I am developing the point that if this amendment is adopted it will destroy the school system of the District.

The CHAIRMAN. The gentleman will talk strictly to the point of order.

Mr. RANKIN. That is what I am doing now.

It is legislation on an appropriation bill designed to destroy the school system of the District of Columbia for which we are required to appropriate. The people of the District of Columbia have to look to Congress to legislate for them. They have no legislative body of their own. They have maintained this separate school system at least for the last 80 years and probably ever since the District of Columbia was created. This amendment would destroy it, and in my opinion would close the white schools of the District. For that reason I say it is more far reaching than any mere limitation, it is a change in fundamental law, and the point of order should be sustained.

The CHAIRMAN. Does the gentleman from Washington desire to be heard on the point of order?

Mr. COFFEE. Mr. Chairman, I make the point of order that the amendment proposes to incorporate a legislative provision in an appropriation bill that does not come within the purview of the Holman rule and that it sets up an affirmative agency in the law.

Mr. SMITH of Virginia. Mr. Chairman, I desire to add further points of order upon which I should like to be heard at a later time in the discussion.

The CHAIRMAN. The Chair would appreciate very much the gentleman's talking to the points of order to help the Chair arrive at a decision.

Mr. SMITH of Virginia. I merely want to make them at this time. I will discuss them later.

Mr. MARCANTONIO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. Then there will be two points of order pending at the same time.

The CHAIRMAN. Any number of reasons can be given for the point of order.

Mr. MARCANTONIO. But reasons are different from points of order. I submit the points of order to be dealt with one at a time and the first point of order raised must be passed on before others are made.

Mr. RANKIN. Oh, no. That is not the rule.

Mr. MARCANTONIO. The Chair will make the ruling, not the gentleman from Mississippi. I am addressing the Chair.

Mr. SMITH of Virginia. Mr. Chairman, I make the further point of order that this amendment would impose additional duties upon the executive officials.

I make the further point of order that it does not necessarily and will not even if carried out result in any reduction of expenditures as required under the Holman rule.

I make the further point of order that it is obvious on the face of the amendment that the object is not to effect a retrenchment, as required by the Holman rule, but to effect legislation.

I ask to be heard on these points of order at a later time.

The CHAIRMAN. Does the gentleman from New York care to be heard on the point of order?

Mr. POWELL. Mr. Chairman, I do.

The first point of order is that it would change the laws of the District of Columbia. There are no laws of the District of Columbia which guarantee segregation.

As to the second point of order that it would add to expenses, we can cite that segregation has always been more expensive than democracy.

Mr. MARCANTONIO. Mr. Chairman, I should like to be heard on the points of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. MARCANTONIO. Mr. Chairman, this amendment is definitely a negative limitation. It prohibits the use of funds appropriated in this bill for certain specific purposes which are enumerated in the amendment. It does not change any existing law and Congress has the right to withhold the funds for any purpose enumerated in an appropriation act or to withhold funds for any purpose for which an appropriation is being made.

This bill makes appropriations for the District of Columbia. The amendment simply states that none of the funds appropriated in this bill shall be expended to do certain things. We have had that up time and time again. I recall distinctly the Lea amendment in which funds were withheld from the National Labor Relations Board for taking jurisdiction over so-called agricultural workers.

There is no additional duty imposed upon anyone. The amendment deals with an existing condition, that is, segregation in education, segregation in recreation, in hospitals and other places. I respect there is no additional duty imposed on anyone. The amendment strictly is a negative limitation which we have had in this committee time and time again.

Mr. SMITH of Virginia. Mr. Chairman, may I be heard further?

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. SMITH of Virginia. Mr. Chairman, this question all revolves around the so-called Holman rule, which is rule XXI. The theory of the Holman rule is that legislation on an appropriation bill is out of order unless it retrenches expenses and to that has been added by various rulings of the Chair from time to time further limitations upon the rule.

The CHAIRMAN. Can the gentleman from Virginia give the Chair the benefit of his advice as to how this is a limitation of the fund?

Mr. SMITH of Virginia. It is a very definite limitation. It says, "No part of the fund shall be expended," for certain facilities, for certain things, either done or omitted to be done.

The CHAIRMAN. The Chair is trying to find out whether or not this is a proper limitation. The Chair does not believe that the Holman rule is involved so much as the limitation question.

Mr. SMITH of Virginia. Mr. Chairman, if we go to the question of limitation, we still have the same rule to this extent, and you will find it in the rule book under section 845. I will not undertake to read all of it:

> But such limitation must not give affirmative direction and must not impose new duties upon an executive officer.

I made that point of order because if this amendment were adopted it would cover every executive agent performing the duties covered by these appropriations to proceed to carry out this rule of segregation. It would impose not only affirmative duties but arduous duties upon every executive officer who has anything to do with carrying out these facilities.

It is a very definite rule which has been sustained time and time again by the Speaker and by the chairmen of various committees that no limitation is in order which imposes any other duty upon an executive officer.

Passing that point to another, let me quote:

> And it must not be coupled with legislation not directly instrumental in effecting a reduction.

Let us look at this amendment and see whether it effects any reduction. I ask the gentlemen who oppose the point of order, will this amendment, if adopted, save the District of Columbia a single dollar?

Mr. MARCANTONIO. Certainly it would.

Mr. SMITH of Virginia. Will it remove a single facility?

Mr. MARCANTONIO. Absolutely. Instead of having two school systems you will have one.

Mr. SMITH of Virginia. Exactly the same facilities will be required, exactly the same number of children will go to school and exactly the same number of teachers, janitors, the same amount of heat and every other thing appropriated for in this bill will be required.

Mr. MARCANTONIO. The gentleman has asked a question. May I answer it?

Mr. SMITH of Virginia. Let me finish.

Mr. MARCANTONIO. The gentleman has asked me a question.

Mr. SMITH of Virginia. And the gentleman has answered it in my time.

Mr. MARCANTONIO. The gentleman has not given me ample opportunity to answer his question.

Mr. SMITH of Virginia. I am sure the gentleman will avail himself of his right to speak on the point of order.

Mr. MARCANTONIO. The gentleman has taken most of the time so far.

Mr. SMITH of Virginia. I will yield, but I did not want to take up too much discussion on this matter.

Mr. MARCANTONIO. Will the gentleman yield now at this point?

Mr. SMITH of Virginia. Well, I think I might just as well.

Mr. MARCANTONIO. The point is, Mr. Chairman, in response to the gentleman's question, that with segregation you double the number of administrative offices, the number of facilities, and the expenditures are thereby increased, and therefore the amendment definitely is a saving to the Treasury of the United States.

Mr. SMITH of Virginia. That is just the gentleman's conclusion.

Mr. MARCANTONIO. Well, the gentleman asked the question.

Mr. SMITH of Virgina. My conclusion is just the opposite; that it will not do any such thing. As to the burden of proof when such an amendment is offered and the point of order is made the authorities are clear that it is the duty of the proponent of the amendment to show definitely that there will be a retrenchment in expenditures and a reduction in the necessary appropriations.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. POWELL. Since I am the proponent of the measure, I would like to tell my colleague, the gentleman from Virginia, that here in the District of Columbia an entirely duplicate system of superintendence is maintained out of the treasury of the District of Columbia. You have a Negro superintendent and a white superintendent with exactly the same position right down the line. That would be a saving.

Mr. SMITH of Virginia. And you would have to have just as many superintendents, and just as many schools, and just as many school children, and just as many teachers.

Mr. POWELL. But not as many superintendents.

Mr. SMITH of Virginia. I do not know about that. I expect you would have just as many, if not a few more.

Mr. Chairman, there is one other point I wanted to make. It is another very definite rule of parliamentary law.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Mississippi.

Mr. RANKIN. This would also increase the number of police required, and increase the expenses of the District instead of curtailing them.

Mr. SMITH of Virginia. Well, again, as I say, as I said to the gentleman from New York, that is just one man's opinion, and there has not been any proof that it will save a nickel.

I call attention of the Chairman to the third point I wanted to make. This is on construing a proposed limitation, and I think very crucial and very decisive on this point of order.

> In construing a proposed limitation, if the Chair finds the purpose to be legislative, in that the intent is to restrict executive discretion to a degree that may be fairly termed a change in policy rather than a matter of administrative detail, he should sustain the point of order.

Now, this is definitely a situation where obviously the purpose is to change an administrative policy, a policy that has long prevailed, and the authorities on that are so definite and so clear that it seems there can be no doubt left.

I would like to read the Chair what Chairman Luce said on January 8, 1925, when this amendment was up, which was offered by Mr. Hull, of Iowa, which reads:

> No part of the moneys appropriated in this act shall be used to pay any officer to recruit the Army beyond the limit of 100,000, 3-year enlisted strength.

There was long discussion about the point of order on that amendment, and this is the conclusion of the Chair on page 1497:

> In the judgment of the Chair there is no adequate proof embodied in the amendment, or any necessary conclusion from the amendment, that there will be a reduction of expenditure. Therefore, the Chair is unable to see that it complies in this regard with the second paragraph of rule XXI, commonly known as the Holman rule.

I think that is all I have to say except to call attention to one more extract of a ruling that took place on February 18, 1918, when Mr. Saunders. of Virginia, was in the chair and a similar question arose. He said:

> The situation developed by this amendment is as follows: The amendment first proposes to reduce the amount carried in this paragraph. That is perfectly competent under parliamentary law. In addition, it is proposed for legislation to accompany the reducing portion of the amendment. But this legislation has no sort of relation to the proposed reduction. It is perfectly competent to legislate on an appropriation bill, provided the legislation proposed necessarily effects a reduction; but it is just as plainly incompetent to propose a reducing amendment to an appropriation bill a motion which can be made at any time without reference to the Holman rule and then undertake to attach to this motion legislation which does not effect the reduction and is not in any wise related to it.

I submit, Mr. Chairman, that the amendment is clearly subject to the point of order.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Mississippi.

Mr. RANKIN. I call the gentleman's attention also to the fact that it has been held time and time again that the reduction or entrenchment must show on the face of the amendment. This amendment shows no such reduction.

Mr. SMITH of Virginia. That would show it would be a saving of money?

Mr. RANKIN. Yes. This amendment makes no such showing.

Mr. MARCANTONIO. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from New York.

Mr. MARCANTONIO. First of all, the Chair has ruled with regard to the Holman rule. What is involved here, as the gentleman from Virginia pointed out, is whether or not there is a change of policy or law; and when we are talking about policy we are talking about law. This amendment does not involve a change in the law at all. This restricts, or rather, prohibits the use of funds with regard to an administration which is not authorized by law at all. Congress has passed no law providing for segregation in the District of Columbia. Segregation is only an administration ruling applied by various agencies and departments of the District of Columbia. Congress certainly has the right to say, by means of a negative limitation, that none of those agencies can have any funds in carrying out that particular practice. I see no difference between this negative limitation and all of the others that we have had before this Committee. It simply says to the various bureaus, "No funds shall be given to you, not for the carrying out of any law, but no funds shall be given to you for the carrying out of a practice not authorized by law." Therein lies the distinction between the situation the gentleman from Virginia tried to set up and what we actually have involved in this amendment.

Mr. RANKIN. Mr. Chairman, I would like to be heard for a moment on the point of order.

The CHAIRMAN. The Chair will hear the gentleman from Mississippi.

Mr. RANKIN. I call the attention of the Chair to the fact, as I pointed out to the gentleman from Virginia a moment ago, that it has been held time and time again that in order to be in order under the Holman rule the reduction or retrenchment must show on the face of the amendment. All the reduction they propose is speculative.

If you are going off into the realm of speculation, I submit that this amendment will probably increase expenses far more than it will curtail them, by increasing the police force, hospital facilities, doctors, jail facilities, and other things of that kind. I submit that this is merely a fantastic attempt to stir up race trouble in the District of Columbia, and the point of order should be sustained.

The CHAIRMAN [Mr. FORAND]. The Chair is ready to rule.

The Chair has listened very attentively to the arguments pro and con and has reached the conclusion that the Holman rule is not in issue at the present moment. The wording of the amendment reads, "Provided, that no part of any appropriation contained in this act shall be used for any of the purposes therein mentioned," and they are enumerated.

After serious consideration, the Chair is of the opinion that the amendment is a proper limitation and overrules the point of order.

The gentleman from New York [Mr. POWELL] is recognized for 5 minutes in support of his amendment.

Mr. POWELL. Mr. Chairman, fellow Members of the House, in offering this amendment I want first to quote a sentence that the very distinguished and brilliant colleague from Virginia [Mr. SMITH] used. He came over to me and said: "What mischief are you up to now, POWELL?" And I said, "No mischief, but I am sure something that you might not agree with." He said: "That is probably true, but we can still not fight." I said: "I agree with you." Therefore, I hope we can follow what Mr. SMITH said, and not fight.

I believe in government. I believe government should operate first by law and then, in the second place, when laws are not adequate, it should operate by custom. However, here in the District of Columbia, because it is not a State, the District cannot be construed as being a part of any particular section of the country. If the District of Columbia was located further south, or further north, or further west, it would still be the District of Columbia, the Capital of the Nation. It would still be a district which includes people of every State, people of every race, people of every creed, people of every religion, and people of nearly every nation. Therefore, when it comes to legislating for the District of Columbia, I do not think it is correct to approach it on the theory of States' rights which, by the way, I believe in to a certain extent. I believe we must approach this as country-wide citizens, as national citizens, when we are considering legislation affecting the District of Columbia.

If you do not believe that segregation is practiced here by the District government may I say look at me, one of your fellow Congressmen. I cannot get a card to play tennis, for instance, in any of the parks of the District of Columbia. If tomorrow morning I went before the Recreation Service to try to get a card to play tennis in a public park which our money supports, I would not be allowed to because I would be told that only certain parks are set aside for Negroes. I had a serious operation this past winter and was referred by a specialist in New York to a doctor here in the District of Columbia. That doctor could not treat me here in the District of Columbia because there was no hospital to which he could take me because I was a Negro. He could only take me to one hospital and that was a hospital which was inadequately staffed and overcrowded.

Taxation without representation is bad enough for the District of Columbia. It is high time we gave the full rights of citizenship to the people of this District. But when you take taxation without representation and add to it segregation and discrimination, that is a blot upon democracy. Whatever we do in our separate States is the problem of the State. It is the problem of the people of the State. If it is a question of custom or public opinion it is for the people of the State to change it if they want to. But what we do in the District of Columbia should be a reflection of the best that is in a democracy. Unless it does reflect the best that is to be found in a democracy then we are not living up to the highest ideals of our Constitution and our Declaration of Independence. I am asking you gentlemen to hold up before the world, a world that has just gone through two wars in one generation to make the world safe for democracy, I am asking you to make the District of Columbia at least safe for the kind of democracy that our men shed their blood for, and which is being denied here in the District of Columbia to the most loyal element of this democracy, my people, the Negro people.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. COFFEE. Mr. Chairman, will the gentleman yield for me to see if I can secure a limitation of debate?

Mr. RANKIN. I yield, if it is not taken out of my time.

Mr. COFFEE. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. RANKIN. Mr. Chairman, this amendment to deny funds to separate schools here in Washington is another one of those communistic movements to stir up race hatred in the District of Columbia.

It had its origin at the same source the FEPC movement started, and if adopted will result in destroying that friendly relationship that now exists between the whites and Negroes in the District, and elsewhere.

If I were a Negro I would want to be as black as the ace of spades, and I would not be running around here trying to play tennis on a white man's court. I would go with the other Negroes and have the best time in my life.

Mr. POWELL. Mr. Chairman, I ask that those words be taken down.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read as follows:

If I were a Negro I would want to be as black as the ace of spades, and I would not be running around here trying to play tennis on a white man's court. I would go with the other Negroes and have the best time in my life.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 5990, the District of Columbia appropriation bill, 1947, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and that he herewith reported same to the House.

The SPEAKER. The Clerk will report the words taken down.

The Clerk read as follows:

If I were a Negro I would want to be as black as the ace of spades, and I would not be running around here trying to play tennis on a white man's court. I would go with the other Negroes and have the best time in my life.

The SPEAKER. The Chair would think and would be compelled to hold that there is nothing in this language that refers to any specific person by name or otherwise as a Member of the

House of Representatives, does not reflect upon his character, his integrity, or attribute to him any moral turpitude.

The Committee will resume its sitting.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Mississippi [Mr. RANKIN] will proceed.

Mr. RANKIN. Mr. Chairman, as I was going on to state, if I were a Negro I would want to be as black as the ace of spades. There is no disgrace in being a Negro. I know as much about the Negroes, the real Negroes, the honest-to-God, hard-working, law-abiding, God-fearing Negroes, as any other man in Congress. Real Negroes have a good time when they are to themselves. They get along better where they have their separate schools, churches, and playgrounds. They want them, they want those separate schools so they can be together and have their own teachers.

Today we are trying to build a Negro veterans' hospital in Mississippi so the Negroes may be to themselves and have their own nurses and their own doctors; yet some communistic Negroes from some of the northeastern States came down here, with some other Communists who were not Negroes and protested against it, with the Negroes in the State of Mississippi begging for this hospital. These Communists want to force them into white hospitals, just as they are trying to force Negroes into the white schools here in Washington by this amendment, even though it would deprive the Negro doctors and Negro nurses of the opportunity of serving their own exservicemen.

Now, let us see what this amendment does. The Negroes in the Southern States when they get in trouble come to us white people. Have you heard of a race riot in Mississippi, or South Carolina, or Georgia, or Alabama since the War Between the States or the days of reconstruction? No; but you hear of race trouble where these Communists get out and stir it up. They went to Detroit, Mich., for the sole purpose of stirring up a race riot and did it with the result that hundreds of Negroes, many of them innocent Negroes, were killed, as well as a large number of white people.

Now, the people of the District of Columbia, the Negroes and the whites, have not asked for this change. They have their separate schools. The Negroes go to their schools, they behave themselves, and they can have their teachers, they have their own way of life.

You pass this amendment and you will do one of two things: You will destroy every white school in the District, or deny to the people of the District of Columbia the funds provided herein, and you will probably create a race riot, race hatred, and bitterness to an extent that has never been known here before.

But that is what the Communists want. They are out to stir a race war in this country. This is just a part of the plan.

I am speaking to you on behalf of the Negroes, the real Negroes, of the District of Columbia who go with the Negroes themselves, play on their own playgrounds, and go to their own schools, as well as the white people of the District at whom this vicious amendment is directed.

I would not have this kind of thing stirred up in my State for anything on earth, because I know that while the social climbing Negroes and their communistic cohorts would be back in New York or Boston or Hollywood, Calif., having a good time, the poor innocent Negroes would suffer along with the innocent whites. These Communists do not care how many innocent Negroes or innocent white people get killed, just so they can stir up trouble between the two races and keep it stirred. They are the worst enemies the Negroes have on earth.

I hope you will vote this amendment down. When you do you will render a real service, not only to the white people of the District of Columbia who have to look to us for their legislation, but you will be doing a greater favor to the Negroes of the District by saving them from the disastrous consequence of such a communistic movement.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. O'TOOLE. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman is not on the list. Was the gentleman on his feet when the time was fixed?

The gentleman from Texas [Mr. POAGE] is recognized for 5 minutes.

Mr. POAGE. Mr. Chairman, I want to call your attention to the fact that this is the second time within about 1 month that we have faced exactly the same issue. There are those of you who would not believe 1 month ago when the Member from New York offered a similar amendment to the school-lunch program that it had the implications that you now see so evident. One month ago there were those of us who pointed out to you that the Member from New York was determined to see that there were no school lunches throughout the United States unless the school lunches were served to whites and colored together. All of us here today can plainly foresee that the action proposed here is intended as a step in a program of change throughout this Nation. There is no man and no woman so dense on this floor today who does not realize that what is done here today will next month or next year be quoted as a precedent for doing the same thing in your State and in mine.

I care not that the Member from New York tells us that he sometimes respects States' rights. Neither he nor the rest of those who seek to enforce in the District of Columbia a disruptive program such as this, will be bothered about State rights when the time comes that they believe they can stir up trouble between the races in the various States of this Union; and be not deceived, there could be no quicker way of stirring up trouble between the races not only in the District of Columbia but all over this Nation, than to pass this kind of legislation.

None of you are so naive as to believe you can force a mixture of the races against the will of the children and against the will of their parents without having trouble in the District of Columbia, and you know it is going to be serious trouble. You know that following the passage of this kind of legislation there will be race riots; there will be killings; there will be anarchy in the Capital of this great Nation. You know it will be reflected down in the river bottoms of the South.

There are those of you from the northern cities who tell us down here that we ought to handle our problems better than we are doing. For 80 years we have labored in poverty, we have labored under handicaps, to try to solve one of the most difficult problems in this world. We think we have been doing a very good job of it. Why, Mr. Chairman, should you come in and thrust down upon our brow this crown of thorns and tell us that we must try to handle a problem almost impossible of solution in any different way than we have. This amendment will put the last straw on us which would make it utterly impossible for us to solve that problem. I plead with you to help the people of the South—black and white—to live together. Do not make it more difficult for us.

We have been making progress in the South; we have been eliminating lynchings; we have been educating the Negroes of our country; we have improved their economic status. Why not let us continue the good work? I warn you as one who knows the situations that you are going to make it utterly impossible to carry on the good work that has been started. You are setting the South back 80 years if you pass this kind of legislation today, and you know it.

Do you believe that it is worth while for any fleeting political advantage that you should do a thing of this kind charged with so much woe for the white and black races alike? If you are sincerely interested in the minority race, why not ask yourselves who is going to suffer the most when we see the specter of race riots rising in this country? You know the Negro will be the chief sufferer. If you believe in helping the Negro, do not pass this kind of legislation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, the last speaker has evidently overlooked or attempted to have you overlook the fact that this amendment deals only with the District of Columbia. It does not deal with the gentleman's State, it does not deal with the State represented by the gentleman from Mississippi.

The District of Columbia, I submit, is still the Capital of all the United States. In the District of Columbia there are people from all parts of America and I submit that it is not asking too much that here in the District of Columbia we practice the fundamental precepts of democracy that we are asking all of the world to practice at this time.

As to the cry of race riots, we have heard that cry before. We heard that cry made when we attempted to pass an anti-poll-tax bill in this House of Representatives and in the other body. We heard the same cry raised in regard

to FEPC when we attempted to enact legislation which would guarantee employment without discrimination because of race, color, or creed. Now, we hear the same cry of race riots in respect to a simple request that this Congress rise up to the dignity of the Nation—the dignity that the world expects us to rise up to of practicing the fundamental precepts of democracy for which men died, both black and white. Race trouble! We know what it is and we know its fundamental causes. The denial of equality and of equal opportunity is the cause of race disturbances. The refusal of a job to a man because his color is black, or to compel him to go to a school other than the one he wants to go to because his color is black, to treat him differently from anybody else because he is a Negro, to heap the indignity of segregation on a person because of his color—that is what causes race disturbances. Remove the cause—segregation and discrimination—and you solve the problem of race relations.

This is not an amendment to agitate race disturbances. This amendment is merely a step toward a better civilization for mankind, and in America's march of progress toward the elimination of race hate and inequality.

Further, let us talk facts. Today race riots are incited by domestic Fascists and advocates of white supremacy.

We have before us a specific, concrete illustration of whether we mean what we say; whether we mean what we say when we talk to audiences from public platforms; whether we meant what we said when we spoke to the departing soldiers; whether we meant what we said when we went before our constituents. This is the first chance to invoke that democracy in the Capital of the Nation.

This is America, where the UNO is meeting. This is Washington, which many would make the capital of the world. Are we going to hesitate to remove fram the Capital of the United States the blot of discrimination and segregation? Further than that, shall we place the stamp of approval, by voting down this amendment, on this un-American principle? Please do not be frightened by the red-herring cry of communism which the gentleman from Mississippi raises against a proposal that he dislikes. The issue here is not communism; the issue is not Republicanism or the Democratic Party; the issue here is genuine Americanism; the issue is America, the Capital of the Nation, with no discrimination and no segregation.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. DE LACY].

Mr. DE LACY. Mr. Chairman, I do not believe many words are required on this issue. Your minds are pretty well made up. However, I would like to make this simple observation. Every Member of the House, no matter what his views, wishes to see better relationships between the races and the faiths that inhabit America.

Some of those who believe differently from me on this issue have stated on this floor on this and other occasions that we cannot legislate tolerance into the heart of a man, and that is correct, that we cannot use compulsion in the form of legislation to correct a problem which is one of understanding in the heart and an attitude of mind. There is a great deal of weight to that, but I should like to say to you, and I appeal to you, if we cannot do this by compulsion, if we cannot do it by legislation, then where do we propose to make the start to do it? We should be teaching, we should be exhorting, we should be pleading to our youth, to our children. In their minds we should eliminate prejudice. To them we should say, "Let us build a free America in which everyone has an equal job, an equal chance for work, an equal chance for education, and equal chance to rise to the heights or sink to the depths, in accordance with his own natural capacities." It is with the children we should start. Let us not commit the crime of driving prejudice into the minds of our little ones as they come up. Let us begin to make some progress to break the barrier down. Let us promote understanding to break the barrier down.

My point is this. Let us put the children together under the right kind of supervision, intelligent, trained people, with understanding and tolerance in their hearts, and let our Americans grow up together in understanding and common sympathy.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DE LACY. I yield to the gentleman from North Carolina.

Mr. COOLEY. I understand, then, that the gentleman is bold enough and frank enough to advocate breaking down segregation not only in the District but throughout America?

Mr. DE LACY. The gentleman understands the amendment before us relates to the District of Columbia.

Mr. COOLEY. I understand; but the gentleman has not confined his observations merely to the District of Columbia. He says we should start here and ultimately we should do away with segregation throughout the country, and all because one Negro wants to play tennis on a white man's court. Is not that the proposal?

Mr. DE LACY. I do not agree that the gentleman has stated it correctly.

Mr. COOLEY. What is the trouble in the District now that brings about the necessity for trying to force white children to go to school with Negroes?

Mr. DE LACY. The trouble is not in the District; the trouble is in the Nation. The trouble is in the world. In this great Capital the statue of freedom that stands on top of this building is a symbol to the people of the United States; it is a symbol to the world of freedom and equality. In my district in my great State there is no discrimination in the schools, and there are no race riots, either.

Mr. COOLEY. If there is no trouble in the District, why should we disrupt the customary system which has existed here through the years?

Mr. DE LACY. Because as long as this dark blot of discrimination and inequality rests over the shadow of our United States, so long will our voice be stilled for justice and its edges blunted in the councils of the world.

Mr. COOLEY. The complaint that I heard was that the author of the amendment could not play tennis down here on a court that was reserved for white people, and another trouble was that he could not be operated on in a hospital that was reserved for white people.

Mr. DE LACY. I do not believe the gentleman wishes to pretend that these restrictions and indignities which were laid upon a Member of the House are anything but typical of the sufferings of a whole race of people.

Mr. COOLEY. There is suffering in the State of North Carolina. We provide them with the same facilities that we provide the white people, but we never mix them down there.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. DE LACY. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman has mentioned suffering. I do not see what greater suffering there can be than the indignity of depriving anyone of equal opportunity, whether it be education, recreation, or employment in the Capital of the United States or anywhere in the United States.

Mr. DE LACY. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Washington has expired.

The Chair recognizes the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Chairman, I think it is most unfortunate that again the red herring of communism has been dragged across this floor. We have heard from the gentleman from Mississippi that this amendment is inspired from Communist sources, and that the FEPC is inspired from Moscow. I think in so doing the gentleman from Mississippi, wittingly or unwittingly, has charged the common council of the city of Milwaukee with being Communist.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. BIEMILLER. No; I am not yielding.

Within the past 10 days the common council of the city of Milwaukee by a unanimous vote has passed a city FEPC law. There are 27 members of that common council. Surely none of those men, by the wildest stretch of anyone's imagination, are members of the Communist Party.

Furthermore, I think all of us who come from the North and the West recognize that in our school systems there is no segregation. I have gone to school, from the time I was 6 years old until I graduated from Cornell University, with Negro students. I have seen no race riots develop as the result of Negroes attending the public schools in Sandusky, Ohio, where I got my early education, nor at Cornell University, from whence I graduated in 1926. I am proud of the fact that in the schools I have attended there has been no discrimination. I think that is a good, sound, American doctrine, and good, sound, American principle. I believe firmly in equality of opportunity. I feel that in

the Capital of the United States we have a right to expect that the customs which prevail in the major part of the country should be the customs which prevail here.

I intend to vote for this amendment. I think it is a sound amendment and an amendment that will redress an old grievance, a grievance that has made many, many people throughout the United States hang their heads in shame for a long time. The majority of Americans, I am convinced, are opposed to the discrimination that has been practiced in our Capital City.

I sincerely hope that the House will see fit to redress this old grievance. I know, for example, that at the present time the most importuning that I am receiving for the FEPC and this whole question of discrimination comes from the church women of the city of Milwaukee. There is not a day goes by but that these good church women of my city are not requesting that we once and for all put a stop to discrimination. They recognize this issue for what it really is—a deeply moral question. I think today we have an excellent chance to strike a blow at the great moral evil of discrimination. I hope that is the course that this House will take this afternoon.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. POWELL].

The question was taken; and the Chairman announced the noes had it.

Mr. MARCANTONIO. Mr. Chairman, I demand tellers.

Tellers were ordered, and the chairman appointed as tellers Mr. COFFEE and Mr. POWELL.

The Committee again divided; and the tellers reported there were—ayes 49, noes 122.

So the amendment was rejected.

Mr. COFFEE. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COFFEE: On page 48, line 12, after the word "hydrant", strike out the comma and the figures $330,000.

Mr. COFFEE. Mr. Chairman, I might briefly explain this amendment. It is purely to correct a clerical error. The figure "$330,000" was inadvertently included in the printed bill, and the comma in connection therewith.

This activity covers all additions to the water distribution system. It covers in general such projects as laying water mains; installing fire hydrants; construction of a large trunk line water main, and construction of a roof over a large reservoir located in Fort Stanton Park.

Heretofore the appropriation was broken down into certain amounts for each of the specific projects, but since all the projects are related it was the purpose of the subcommittee to remove the different limitations and did eliminate the other designated amounts that went to make up the total of $615,000, but through oversight the figure of $330,000 was not eliminated. Under the present language and purpose of the section the figure does not have any clear meaning and since it was the intention of the subcommittee to remove the figure it is the purpose of this amendment to do so.

The amendment was agreed to.

Mr. STEFAN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. STEFAN: On page 42, line 18, strike out the colon and insert a period, and strike out the entire proviso on lines 18, 19, 20, 21, and 22.

Mr. STEFAN. Mr. Chairman, this amendment would strike out the proviso that has been in this bill for a number of years. This proviso precludes the District from testing its own material. It makes it impossible for the District to use its own laboratory constructed and equipped some years ago at a cost of $100,000. So, the testing of material for the District of Columbia is done at the Bureau of Standards. The officials of the District that appeared before your subcommittee insisted that since 1934 it has cost the District of Columbia more than $100,000 in excess of what the cost would have been had the District used its own laboratory. They claim it is costing them four times as much to test material at the Bureau of Standards as it would cost if they were allowed to test it in their own laboratory.

Your subcommittee, feeling that this would be one place to save money for the District taxpayers, decided to eliminate the proviso and allow the District to test its own material and accomplish this saving.

However, I wish the committee to know that this proviso was placed in this bill by the full committee, by an overwhelming vote, on an amendment offered by the chairman of the Committee on Appropriations. But your subcommittee is unanimous in the belief that a saving can be made here. I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 55, after line 5, insert a new section as follows:

"3. Whenever under this bill it is proposed to expend any sum for any thing or service from the benefit of which members of any race are excluded an equal sum shall be expended for things and services for the benefit of the members of the race so excluded and in proportion to the percent of the population."

Mr. HOFFMAN. Mr. Chairman, the amendment was on two sheets and the complete amendment reads as follows:

Whenever under this bill it is proposed to expend any sum for any thing or service from the benefit of which members of any race are excluded an equal sum shall be expended for things and services for the benefit of the members of the race so excluded and in proportion to the percent of the population, the members of the excluded race bear to the whole population of the municipality where the proposed expenditure is to be made.

Mr. COFFEE. Mr. Chairman, I reserve a point of order against the amendment.

Mr. HOFFMAN. Mr. Chairman, we have heard considerable from Members of the majority party all to the effect that members of the Negro race—colored people we call them in my State—would by this bill as it is now written be excluded from benefits to which they are entitled.

I can see no reason for any discrimination in employment, educational advantages, whatever it may be, along that line. I know of no reason why we should attempt to legislate social equality. That is a matter of taste—of education—of personal preference. There is at least one woman in the city of Washington who has never asked me to any of her social functions, and she has held many of them—public and private. I have no desire to attend any of them. I think it would be just as silly, or rather just as absurd, for me to propose a bill requiring her to ask me out to her place to associate with her guests—refined, educated people, or whatever they may be—as it would be for this House to attempt to legislate social equality.

This amendment is offered in good faith; it is offered to meet the objection of the gentleman from New York [Mr. POWELL]. I have sat on the Labor Committee with him, I admire him and the way he handles the business of his constituents and the public business there, and I agree with him that we should not—it is most unjust—to exclude members of his race or any other race from the benefits obtained when tax money is spent; and so I have provided by this amendment that whenever it is proposed to spend a dollar for anything or any service from which members of any race are denied participation that an equal sum in that proportion that the members of that excluded race bear to the total population, shall be expended for their exclusive benefit. What is wrong with that? If the gentlemen from New York, either of them or both of them, want tax money expended for the benefit of every race here, this amendment will do it. If they want to legislate social equality this amendment will not do it.

Mr. COFFEE. Mr. Chairman, I renew the point of order. I make the point of order the amendment is legislation on an appropriation bill requiring affirmative action by District officials.

The CHAIRMAN (Mr. WALTER). The Chair is ready to rule.

Under this amendment, which, by the way, is not completed in that it ends with the word "which," it is provided that an equal sum shall be expended under the bill.

The bill now being considered contains no provision for equal appropriations and there is no authorization to make equal appropriations.

The Chair therefore feels that it is very clearly legislation, and sustains the point of order.

Mr. COFFEE. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. COFFEE. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. Mr. Speaker, I am opposed to the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with amendments reducing the amount of the appropriation out of the Treasury by $1,000,000.

Mr. COFFEE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

LIST OF RETIRED OFFICERS FOR WHOM DEPARTMENT OF STATE IS HOLDING DECORATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States of America:

I am forwarding, for the consideration of the Congress, a communication from the Secretary of State transmitting a list of those retired officers or employees of the United States for whom the Department of State under the provisions of the act of January 31, 1881 (U. S. C., title 5, sec. 115), is holding decorations, orders, medals, or presents tendered them by foreign governments.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 5, 1946.*

[Enclosures: 1. From the Secretary of State. 2. List.]

SIXTY-SECOND ANNUAL REPORT OF THE CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The SPEAKER laid before the House the following message from the President of the United States, which was read, and together with accompanying papers, referred to the Committee on Civil Service:

To the Congress of the United States:

As required by the act of Congress to regulate and improve the civil service of the United States approved January 16, 1883, I transmit herewith the Sixty-second Annual Report of the Civil Service Commission for the fiscal year ended June 30, 1945.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 5, 1946.*

YUMA PROJECT AND BOULDER DAM

Mr. SLAUGHTER, from the Committee on Rules, reported the following privileged resolution (H. Res. 584, Rept. No. 1879) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5674) to amend the laws authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rivers and Harbors, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MEMORIAL SERVICES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Friday next, after the reading of the Journal, I may be recognized for 1 hour, the time to be controlled by myself, for the purpose of presenting memorial exercises and eulogies in memory of our late beloved President, Franklin D. Roosevelt.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Washington Daily News on Friday, April 5, on the subject of CIO-PAC.

Mr. PATRICK and Mr. CANNON of Florida asked and were given permission to extend their remarks in the RECORD.

Mr. RANDOLPH asked and was given permission to extend his remarks in the RECORD in two instances; to include in one an article from a magazine, and in the other an address delivered by one other than himself.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD and include an editorial.

Mrs. DOUGLAS of California asked and was given permission to extend her remarks in the RECORD in five instances and to include excerpts in each.

Mr. SAVAGE. Mr. Speaker, on behalf of my colleague the gentleman from Washington [Mr. JACKSON] I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill H. R. 5939, which was passed by the House yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include a statistical summary of the Veterans' Administration activities to March 31, 1946.

Mr. BARRETT of Wyoming asked and was given permission to extend his remarks in the RECORD.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. BENNET of New York asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. BOYKIN (at the request of Mr. RIVERS) was given permission to extend his remarks in the RECORD in two instances; to include in one a letter with enclosures from the sheriff of Mobile, Ala., and in the other an address delivered by Conder C. Henry.

Mr. GILLESPIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. GILLESPIE. Mr. Speaker, a situation of gravest import for the future status of Palestine has arisen in the past few weeks. Acting arbitrarily and unilaterally in the face of three international agreements to which she is party, Great Britain has declared Trans-Jordan "independent and sovereign," and concluded a treaty with Emir Abdullah, which, in effect, leaves Great Britain more the master of that area than she has ever been.

Trans-Jordan, as you know, is the name for the territory immediately east of the Jordan River and is an integral part of Palestine—historically and geographically. It first came under the jurisdiction of Great Britain after the defeat of the Turkish Empire. As I understand it, the League of Nations granted a mandate to Great Britain over the whole of Palestine on condition that she supervise the establishment of a Hebrew National Home there. The history of Palestine since the granting of the mandate has been the history of British evasion, procrastination and delaying tactics in regard to the establishment of the National Home. This, in the face of the terrible hardships and suffering undergone by the Hebrew people in Europe. The supposed freeing of Trans-Jordan is a major step in the furtherance of that policy. It deprives the Hebrew nation of access to three-fourths of its territory. By changing the Jordan from a vital main highway into a boundary, it drastically reduces the economic potential of the lands on both sides of the river. It places an insuperable obstacle in the way of the vast power and irrigation plans that have been predicated upon the free use of the river. This superapplication of divide-and-rule methods suits British policy to a "t."

I think this will appeal to any fair-minded man to be not only unjust but absolutely illegal. Trans-Jordan is sparsely populated with nomadic Bedouins, in an undeveloped desert area. That area is now cut off from its western complement and from its only real hope for future development. The League of Nations Mandate Commission, when it considered the case of Iraq in 1927, laid down conditions for the freeing of a mandated area, which included an adequate judiciary system, an adequate fiscal system, the ability to protect its own frontiers, the ability to police its area, and so on. Trans-Jordan has for long been supported by western Palestine, by taxes almost entirely by Hebrews. Now, to replace that source of support, Britain has made a treaty with her sovereign creation in which she agrees to maintain troops within its borders and give it financial and other aid.

Coming at a time like this, when the newspapers are full of other things, this has escaped the attention of our people in general. The justice and logic of a situation, or the lack of them, may be easily obscured, but there are, in black and white, three international contracts by which Britain is bound not to do what she has just done. First, the mandate itself does not mention or imply that Trans-Jordan is not a part of Palestine. It specifically declares the purpose of the mandate to be the establishment of the national home, and it reserves, for the League, the right to withdraw the mandate should the mandatory power fail to pursue its purposes. Second, this mandate was made subject to the approval of the United States in the Anglo-American Treaty of 1924. Britain agreed not to make any changes in the status of the mandate without prior approval of the United States, which she has not, so far as has been announced, gotten. She agreed, also, to take no action which would impair American investments in Palestine. There are more than $50,000,000 worth of such investments by private American investors. And amputation of three-fourths of a country's area would seem to me to be impairment, particularly when that area is taken out of international jurisdiction and placed in the hands of such a government as has been established there. Third, in subscribing to the Charter of the United Nations Organization, Britain agreed to take no action altering the rights, interests, or status of states or peoples to which she has treaty obligations, without prior approval of the General Assembly of the United Nations Organization. Needless to say, she has ignored this obligation as well.

I strongly urge the Members of the House to explore this matter fully. It is about time the American people knew what is happening. It is about time we look to the protection of our interests abroad and to the way in which our international agreements are being honored.

CORRECTION OF ROLL CALL

Mr. PLUMLEY. Mr. Speaker, my attention has been called to the fact that I am recorded as absent as indicated by quorum roll call 75. This is not correct. I was present as many Members know, and I answered to my name. Because of my committee assignments I am forced to miss many useless quorum calls; so when I am here I like to get credit for it.

I wonder if the Members realize that in the Seventy-eighth Congress we wasted time in the amount of 45 days of 5 hours each answering quorum calls, many of which were made under a constitutional right to raise the point of order of no quorum, but the privilege is abused. We could amend our rules and protect constitutional rights.

The people laugh at us when we are seen running over here to quorum calls and running out again to our committees. We should show ourselves some respect if we expect the people we represent to respect us.

I ask unanimous consent that the RECORD and Journal be corrected accordingly .

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from South Carolina [Mr. HARE] is recognized for 30 minutes.

SOME OBSERVATIONS IN EUROPE

Mr. HARE. Mr. Speaker, in response to the action of the House of Representatives early last summer, I was honored by being appointed one of a committee of six Members to visit our embassies, legations, and consulates in various countries of Europe for the purpose of ascertaining their facilities for promoting our business and trade with such countries. As the committee will make a formal report of its observations, findings, and recommendations, I will not undertake at this time to say what the report will contain. However, as the membership of the House will be called upon from time to time to pass legislation relative to national policies or programs in foreign countries, I am taking this opportunity to express some personal conclusions reached and observations made in some of the countries visited. I assume other members of the committee will undertake, when opportunity affords, to furnish the Congress with the impressions they obtained.

Our itinerary was planned so as to visit most of the countries of Europe in August, September, and October of last year, but after hostilities ceased in Japan and the Congress reconvened, the committee was unable to complete its itinerary. However, we visited England, Scotland, Ireland, Wales, Belgium, France, Germany, Switzerland, Italy, Greece, Spain, and Portugal.

In addition to learning more about the facilities and needs of our foreign-service offices, I was interested in learning what effect the war had upon agriculture in the area visited. I am glad to report that agricultural prospects were better than I anticipated. It is true, the war took an enormous toll of meat supplies in both cattle and hogs. However, in England, Scotland, and Ireland the number of dairy cattle and sheep had not been reduced as much as one might have expected. In these countries farmers were completing their harvest of wheat and oats about the middle of August. The yields were good and the acreage about normal. The same appeared to be true in Belgium, Germany, and some of the other countries. We did not visit Russia for the reason we were advised upon our arrival in England we would be permitted to enter and go to Moscow upon condition that we use a plane furnished by Russia at Berlin. The committee demurred to this conditional entry on the ground we had been furnished with an American plane by the Army, and there was no good reason why Russia should insist upon such a conditional entry. Our Ambassador in Moscow was advised of this decision, and we did not receive notice that an amended permit had been granted until after VJ-day, and the committee had decided to return to the United States.

I was first greatly impressed with how completely our soldiers and air forces performed the task assigned to them in Europe. From what I saw and learned they left no stone unturned in their efforts to defeat the enemy as soon and as completely as possible. They did not fail to accomplish the job assigned, particularly in Italy and Germany, but more especially in Germany. It was physically impossible in the time at our disposal to visit and observe every locality. We did have opportunity to visit a number of the larger cities and in many cases observe conditions in rural communities. Words cannot adequately describe the destruction and devastation wrought by our men and other Allied forces. Their objective, of course, was to reach and destroy Berlin, and without doubt they accomplished their purpose. We spent 3 days in that city and I did not see a business activity within its limits that was not destroyed. Literally thousands of buildings were razed to the ground or demolished largely by the combined Allied air forces, al-

though there was plenty of evidence of capable, well directed and efficient service rendered by our artillery. In many parts of Berlin were trees measuring from 15 to 30 inches in diameter literally filled with bullets to a height of 10 to 12 feet from the ground, the bark on the trees having been completely removed by artillery fire. The tops of trees gave the appearnce of having suffered from a terrific windstorm or hurricane, limbs of different sizes having been cut from trunks of trees by rifles, machine guns and other implements of war in the hands of our artillerymen. It would be difficult to estimate, but under normal conditions I do not see how Berlin can be restored within a century or longer.

The high light of our visit to Berlin was the privilege of being favored with a position on one of the reviewing stands to witness a parade celebrating VJ-day where General Patton of the American Army and General Zhukov of the Russian Army were the conspicuous military figures. British, Russian, French, and American troops participated in this parade. It was the most outstanding demonstration of military power I ever witnessed. Foot soldiers numbering four or five thousand participated and led the procession, which was followed by an array of tanks, machine guns, and other fighting equipment used in war. There were many thousands, running into hundreds of thousands of uniformed soldiers of the Allied armies standing on the sideline to view the procession. One outstanding observation was the absence of applause or display of enthusiastic feeling by the spectators during the entire parade. People standing on the sidelines watching the procession for miles and miles seemed to be satisfied and contented with the feeling that the fighting was over. To me it was almost like a dream because I had followed in my mind the movements and activities of the various armies in all the theaters of war, but it had never dawned upon me I would be privileged to watch the American Army march to the strains of martial music and celebrate their victory by parading up Unter den Linden and Kaiser Wilhelmstrasse, the most popular and widely known avenues in the great city of Berlin—the very heart of the German Empire.

One interesting observation in this parade was the "goose step" manner in which the Russian soldiers marched, the uniformity of their size, and the soldier-like expression on their faces. I do not know, but it appeared to me the Russians had selected or picked their soldiers for this particular procession. If I am wrong in this impression and their soldiers in the parade were representative of the Russian forces it is not surprising they were able to hold the German Army at Stalingrad and force it back to Berlin. However, one could hardly restrain himself when the American units following the Stars and Stripes marched by with such dignified precision as to command the admiration of any American citizen, as well as those from other parts of the world who looked on.

Italy and Greece would probably like to have a republican form of government, but are apparently unwilling to pay the price. That is, they are unwilling to assume the personal responsibility incident to a successful democratic system of government. They prefer to have fewer opportunities and less freedom and be relieved of the responsibility of undertaking the solution of their own political problems. There is little stability of government in either of these countries. The people seem to lack confidence in their leaders. In fact, there is a shortage of capable leadership. The better informed and more cultured class is more interested in the ideals of centuries ago than in formulating ideals for the future.

They appear to have what one might call "undecided objectives" in both religion and government, but take much time emphasizing and commemorating past accomplishments. It is rather tragic to look upon the ruins of the Colosseum in Rome and the Acropolis in Athens, contemplate their greatness and glory in culture, art, education, and religion and compare them with their ruins and devastation of today, and then to think that what was once a great civilization is now bankrupt and, as some one said, "All gone to hell." However, the saddest mental and physical picture of all was to stand on the ruins of the Grecian Acropolis at Athens and look across at the desolation and desecration on nearby Mars Hill where the Apostle Paul preached the greatest sermons of all time. The situation staggers the mind and imagination in an effort to believe that we were witnessing such a picture. Our only conclusion of the whole situation is that such has always come to people when their civil rights are placed in the hands of any individual or group of individuals with exclusive powers to act as their agent.

The political situation in the countries of continental Europe is in a chaotic condition. Germany, France, Italy, and Greece, with a great history and a great civilization behind them are now destitute of leadership. The people are not lacking in feeling or emotions but they do not have sufficient confidence in themselves to undertake restoration. However, the rank and file of the people of France and Italy seem to be kindly disposed to the United States, but whether their gratitude can be crystallized into an actual demonstration of faith and cooperation remains to be seen. By maintaining an army of occupation in Germany and Italy for a few years we may be able to make a valuable contribution to the establishment of modified systems of government having for their objective the promotion of a lasting and permanent peace, but I am convinced that before we can expect or anticipate a lasting peace in continental Europe there must be a revival of the Christian religion, coupled with a system of government in which the people themselves will assume and exercise a responsibility for their administration.

There is a general feeling that the United States should undertake to participate in a program that will feed and clothe a large percentage of the people in the subjugated countries, despite the fact that there is not, in my opinion, the prospect of wholesale starvation prevailing anywhere to the extent it has been publicized through the press and otherwise. No doubt there will be serious hardships, and the people are going to have great difficulty in restoring themselves to normal life, but I am of the decided opinion we should not undertake to any great extent to relieve these countries of their repeated political errors. We may assist in many ways, but I question the wisdom of our country assuming the role of a Santa Claus. I know some will say that we should be charitable and generous in order to command friendship of these countries. The situation is very appealing, but we should remember that some nations are like some individuals, the more you do for them the more you will be called upon to do or else lose their friendship. Our sentiments and emotions may suggest otherwise, but the exercise of judgment, based upon history and human experience, seems to be the better guide. Our country has always endeavored to be fair, just, and generous, but it should never reach the point where it becomes generous to a fault.

From my point of view, the one great difficulty in continental Europe is that their governments heretofore have been largely under military control and military leaders, who have exercised the right and authority to promote and declare war almost at will, and this situation will not be corrected until there is a change in their system of government that will give a greater voice to the people in determining what their system of government will be, and my further thought is that this will be done through an awakened responsibility in the religious life of the people rather than from the angle of political reform. I do not mean that religion should dominate and control the administration of governments but that political action should be the product of religion. That is, good and lasting governments are the products of good citizens, and good citizens are the products of good religion; just like good clothes are the products of good cotton but the man who produces the cotton does not undertake to make the clothes. A further observation is that permanent world peace will be delayed until there is separation of church and state, not only in theory but in practice, in those political segments where the two are so closely related.

"Peace on earth and good will to men" may be a political ideal but the slogan is a religious objective and can only be reached through religious channels and not by political maneuvering or political strategies. The early religious and political pioneers in this country concluded that a permanent democratic system of government could not be created and maintained except through a formal separation of church and state. The basis of this idea is the declaration that we should, "Render unto Caesar the things that are Caesar's and unto God the things that are God's," irrespective of the system of government.

Another conclusion is, our Government should not adopt a general policy of making loans, donations, or gifts to other nations. There are two reasons for this

conclusion. One is, we are not financially able at present. We owe $280,000,000,000 war debt that must be paid. A government is like an individual or a business concern; it cannot continue to spend more than its income and expect to grow or prosper. Sooner or later it will go on the rocks and be stranded. We cannot make loans at this time without borrowing the money and we cannot afford to borrow money to lend money without first paying our own debts. Poor Richard said: "He who goes a-borrowing will go a-sorrowing." Furthermore, the theory of lending money to other nations on the basis it will cement national friendships is not supported by experience. Nations are not unlike individuals in this respect. When one undertakes to buy friendship with a money consideration he generally pays a good price for something he seldom receives. Therefore, if loans are to be made for business reasons they should be made solely on a business basis.

We will not make a lasting contribution to international good will simply by Government donations to the physical needs of the people of other countries or even in our own country. I am not undertaking to philosophize, but if this should become a permanent practice or policy of government it will tend to weaken or destroy the religious strength or fervor of our own Nation. I do not mean to discourage the idea of contributing to the physical needs of the poor and helpless to any people of any country. On the contrary, I would encourage such a practice or policy by the people of any nation, but I do not consider it a function of government. This is a function of the church. Charity is a quality of the soul and is, therefore, a personal matter. It is something that enriches the life of both the giver and receiver. A government may be generous but not charitable. A government may undertake to fix a standard of generosity for the taxpayer when it tells him how much he shall pay in order that it may be generous, but it is a dangerous policy. Such a program may afford physical relief to the needy but it is doubtful whether it contributes to peace and good will among men. It is my conviction that if the funds collected from the taxpayers were voluntary contributions to the church and dispensed to the needy as such it would not only add to the individual and collective religious life of the Nation, but would contribute much more to world peace and good will. On the contrary, if the people of our churches silently agree for the Government to determine and dispense their charities, or if our Government proceeds upon the theory it is a function of government there can be but one result and that is the Government will absorb the essential work of the church, which will mean the ascendancy of the former and decline of the latter. One of our great businessmen recently expressed my thought when he said: "Abolish private charity and the state takes over, in a grim, organized, statistical way, and we shall be robbed of the joy that lies in giving and the deep satisfaction in rescuing the afflicted."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. AUCHINCLOSS (at the request of Mr. TOWE), indefinitely, on account of death in family.

ADJOURNMENT

Mr. SAVAGE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p. m.), under its previous order, the House adjourned until Monday, April 8, 1946, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1199. A letter from the secretary, National Park Trust Fund Board, National Park Service, transmitting a report covering the fiscal year 1945 for the National Park Trust Fund Board; to the Committee on the Public Lands.

1200. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE of California: Committee on the Public Lands. H. R. 2854. A bill to add certain public and other lands to the Shasta National Forest, Calif.; without amendment (Rept. No. 1876). Referred to the Committee of the Whole House on the state of the Union.

Mr. BATES of Kentucky: Committee on Rules. House Resolution 584. Resolution providing for the consideration of H. R. 5674, a bill to amend the laws authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation; without amendment (Rept. No. 1879). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LINK: Committee on Immigration and Naturalization. H. R. 3532. A bill amending the act of October 14, 1940, entitled "An act to record the lawful admission to the United States for permanent residence of Nicholas G. Karas"; without amendment (Rept. No. 1874). Referred to the Committee of the Whole House.

Mr. MASON: Committee on Immigration and Naturalization. H. R. 4282. A bill for the relief of Vera Frances Elicker; without amendment (Rept. No. 1875). Referred to the Committee of the Whole House.

Mr. BUNKER: Committee on the Public Lands. H. R. 4113. A bill to authorize and direct the Secretary of the Interior to issue a patent for certain land to Mrs. Estelle M. Wilbourn; without amendment (Rept. No. 1877). Referred to the Committee of the Whole House.

Mr. BUNKER: Committee on the Public Lands. H. R. 3966. A bill authorizing the Secretary of the Interior to convey certain lands situated in Clark County, Nev., to the Boulder City Cemetery Association for cemetery purposes; with amendment (Rept. No. 1878). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT of Wyoming:

H. R. 6017. A bill granting to the State of Wyoming certain public lands in such State for the use and benefit of the University of Wyoming; to the Committee on the Public Lands.

By Mr. BRADLEY:

H. R. 6018. A bill making it a felony to make bets on the outcome of sporting contests in the District of Columbia; to the Committee on the District of Columbia.

H. R. 6019. A bill to prohibit mixed boxing bouts in the District of Columbia; to the Committee on the District of Columbia.

H. R. 6020. A bill to prohibit professional boxing in the District of Columbia; to the Committee on the District of Columbia.

By Mr. CANFIELD:

H. R. 6021. A bill to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act of 1944; to the Committee on Expenditures in the Executive Departments.

By Mr. DONDERO:

H. R. 6022. A bill to amend section 124 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. HAND:

H. R. 6023. A bill providing for the conveyance to the city of Atlantic City in the State of New Jersey, of lighthouse property at Atlantic City, for public use; to the Committee on the Merchant Marine and Fisheries.

By Mr. MANSFIELD of Texas (by request):

H. R. 6024. A bill relating to the prevention and control of water pollution, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. PRICE of Illinois:

H. R. 6025. A bill to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act of 1944; to the Committee on Expenditures in the Executive Departments.

By Mr. RICHARDS:

H. R. 6026. A bill to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave; to the Committee on Military Affairs.

By Mr. TALLE:

H. R. 6027. A bill to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act of 1944; to the Committee on Expenditures in the Executive Departments.

By Mr. BOREN:

H. R. 6028. A bill to authorize the establishment of air-mail service for mail matter other than that of the first class and the fixing of rates of postage, limit of weight and size and other conditions applicable thereto; to the Committee on the Post Office and Post Roads.

H. R. 6029. A bill to extend authority under section 405 of the Civil Aeronautics Act of 1938, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BULWINKLE:

H. R. 6030. A bill to amend the Civil Aeronautics Act of 1938, as amended, so as to improve international collaboration with respect to meteorology; to the Committee on Interstate and Foreign Commerce.

By Mr. PACE:

H. J. Res. 336. Joint resolution relating to cotton-marketing quotas under the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. SMITH of Virginia:

H. J. Res. 337. Joint resolution to prohibit the use of grain during the shortage of supply for the manufacture of alcoholic beverages; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MALONEY:

H. R. 6031. A bill for the relief of Mrs. Katherine Doerr; to the Committee on Claims.

By Mr. PRICE of Florida:

H. R. 6032. A bill for the relief of James V. Salerno and others; to the Committee on Claims.

H. R. 6033. A bill for the relief of Mrs. Grace Williams Coppock and others; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1767. By the SPEAKER: Petition of Effie Manuel and various citizens of Greater Cleveland, Ohio, petitioning consideration of their resolution with reference to protesting any action to establish a system of compulsory military training for young men and boys of the Nation, especially while beer is sold or given away in camps; to the Committee on Military Affairs.

SENATE

SATURDAY, APRIL 6, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, from whom all thoughts of truth and peace proceed, kindle, we pray Thee, in the hearts of all men the true love of peace, and guide with Thy pure wisdom those who here take counsel for the Nation and for the nations of the earth, that in tranquillity Thy kingdom may go forward till the earth is filled with the transforming knowledge of Thy love. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 5, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes, in which it requested the concurrence of the Senate.

LEAVE OF ABSENCE

Mr. MOORE. Mr. President, I ask unanimous consent to be absent from the Senate for 2 weeks.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Oklahoma is granted.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Murray
Austin	Gurney	O'Daniel
Ball	Hart	O'Mahoney
Bankhead	Hatch	Overton
Barkley	Hayden	Reed
Bilbo	Hickenlooper	Revercomb
Bridges	Hoey	Shipstead
Brooks	Johnson, Colo.	Stanfill
Bushfield	Johnston, S. C.	Stewart
Capper	La Follette	Taylor
Carville	Langer	Thomas, Okla.
Connally	McClellan	Thomas, Utah
Cordon	McFarland	Tunnell
Donnell	McKellar	Vandenberg
Downey	McMahon	Wherry
Ellender	Magnuson	White
Ferguson	Millikin	Wiley
Fulbright	Mitchell	Willis
Gerry	Moore	Young
Gossett	Murdock	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of a death in his family.

The Senator from Ohio [Mr. HUFFMAN] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], the Senator from Louisiana [Mr. OVERTON], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], the Senator from Massachusetts [Mr. WALSH], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Pennsylvania [Mr. MYERS], the Senator from Illinois [Mr. LUCAS], the Senator from South Carolina [Mr. MAYBANK], the Senator from New York [Mr. MEAD], the Senator from Florida [Mr. PEPPER], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ], and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

Mr. WHERRY. The Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER], the Senator from California [Mr. KNOWLAND], the Senator from Oregon [Mr. MORSE], and the Senator from Ohio [Mr. TAFT] are necessarily absent by leave of the Senate.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The PRESIDENT pro tempore. Fifty-nine Senators having answered to their names, a quorum is present.

CURRENT ISSUES BEFORE CONGRESS—LETTER FROM JOHN W. DAY

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from Dean John Warren Day, of Grace Cathedral, Topeka, Kans., discussing some current issues before the Congress. I wish to express my agreement with his views, particularly in opposing military conscription, and the policies being pursued in Germany under the Potsdam agreement. I am in thorough agreement with Dean Day in supporting the creation of a permanent Fair Employment Practice Commission. Like Dean Day, I am disturbed about the large number of antilabor bills before Congress. but in all frankness I am even more disturbed about the activities that have brought about the number of antilabor bills, as Dean Day calls them.

I have this suggestion for those in management who want labor to be Government-controlled, and also for those labor leaders who want management to be Government-controlled. Free enterprise and free labor go together. When free labor goes out, so will free enterprise go out. It is equally true, in my opinion, that when free enterprise goes out, free labor also is on the way out.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GRACE CATHEDRAL,
Topeka, Kans., January 5, 1946.

Hon. ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPPER: Let me express again my deep interest in the adoption of a bill making the Fair Employment Practice Committee a permanent part of our Government. The adoption of such a bill, it seems to me, is long overdue. We need it an' need it badly in order to implement the fourteenth amendment and the democratic ideals of our Nation.

I am quite disturbed about the large number of antilabor bills before Congress. I hope you will do everything you can to defeat bills against labor that seem to be the expression of class prejudice by economically healed pressure groups. I am in favor of legislation suggested by the President that would require a cooling-off period and fact finding.

I am also deeply concerned about the campaign of frightfulness and revenge that is going on in Germany and to which our Government has given its approval. The Potsdam agreement seems to have placed us in a category pretty close to that of Nazi Germany under Hitler. Wholesale starvation certainly cannot be considered any more merciful than the gas chamber. At least the gas chamber shortened the misery.

Again let me express my opposition to any peacetime conscription legislation—the one certain way to load upon the shoulders of American youth and the American people a form of totalitarianism which would, in time,